

matically, is demanding that the Reagan administration and other Western governments accept the formation of a UN-flagged naval force to back up any Security Council resolution imposing an arms embargo on Iran.

Soviet diplomats have told Iraq and other Arab governments that they are ready to support a UN resolution punishing Iran for its refusal to accept an earlier UN measure demanding a cease-fire in the Gulf War, according to Arab diplomatic sources here and in the Middle East.

But they have also implied that their support for such a punitive resolution against Iran is dependent upon the United States and the other Western governments agreeing to set up a UN naval force in which the Soviet Union would have a role, the sources said.

In addition, the Soviets have told Arab governments that they want Western nations to pass legislation that would prevent secret shipments of arms to Iran such as those sent secretly by the United States in 1985 and 1986. Other recent di-

See GULF, Page 2

U.S. and Israel Sign Accord Easing Limits on Arms Sales

By Molly Moore
and David B. Ottaway
Washington Post Service

WASHINGTON — The United States and Israel signed a broad arms agreement on Monday that gives Israel more latitude to sell its weaponry in the United States and elevates it to a trade status granted to only two other non-NATO U.S. allies.

The 10-year agreement, signed at the Pentagon by Defense Secretary

Frank C. Carlucci and Defense Minister Yitzhak Rabin of Israel, reduces some limitations on Israeli purchase of U.S. weapons and allows Israeli military companies to compete equally with companies in the United States and NATO nations for U.S. military contracts.

"It opens up the horizons a great deal," said Edward Gnehm, deputy assistant secretary for international security affairs.

Signing of the memorandum of understanding gives Israel the same

privileges that the United States shares with members of the North Atlantic Treaty Organization for cooperative ventures in researching and developing weapons.

Only Sweden and Australia have been allowed the same special military relationship, according to Defense Department officials. The United States is also prepared to sign a similar agreement with Egypt, officials said.

Although Israel has had close military ties with the United States, the new agreement will provide it greater economic opportunities for selling weapons and equipment to the U.S. armed forces.

Mr. Rabin and Mr. Carlucci also discussed a wide range of other issues, including use of U.S. foreign military sales revenue to help pay \$400 million in debts associated with Israel's cancellation of its Lavi fighter aircraft program and the potential purchase of 75 to 100 F-16 jet fighters to fill the gap, according to Pentagon officials.

The Israeli government canceled the Lavi program to develop its own fighter aircraft under strong pressure from the United States, which contributes much of the money that would have been used to finance the plane. The United States plans to contribute \$1.8 billion in military sales aid to Israel in the next two fiscal years.

Defense Department officials said Israel was negotiating with the United States to use \$400 million of that aid to help pay outstanding contracts on the Lavi program.

Italian Leader in U.S. To Seek Action on Gulf

By Roberto Suro
New York Times Service

ROME — Prime Minister Giovanni Goria, who is on a five-day visit to Washington, will tell President Ronald Reagan that Italy believes the time is approaching for the United Nations to adopt an arms embargo in order to end the Gulf war, an Italian official said.

Italy has been the most cautious of U.S. allies in its view of the Iran arms embargo advocated at the United Nations by the United States. But that attitude now appears to be changing because of Iran's unwillingness to accept the cease-fire resolution adopted by the Security Council last summer.

"We are very unhappy with the way efforts to implement the UN resolution are evolving," said Mr. Goria last week, adding that the "political survival of the United Nations itself" could be threatened if time continues to pass and the resolution brings no results.

Although Foreign Minister Giulio Andreotti hopes that mediating efforts can succeed, a senior official said the government is more likely

to endorse a UN arms embargo or economic sanctions because Secretary-General Javier Pérez de Cuellar's negotiating efforts seem to be at a dead end.

Interviewed as he prepared to depart for the United States, Mr. Goria said he would tell Mr. Reagan that Europeans expect him and the Soviet leader, Mikhail S. Gorbachev, to pursue a variety of initiatives following a summit meeting viewed in Italy as a decisive turn in superpower relations.

Since becoming prime minister in August, Mr. Goria has had to govern five-party coalition, initially meeting resistance even from his own Christian Democrat Party.

The youngest man to lead Italy since World War II, Mr. Goria, 44, was given a mandate by the coalition parties to carry out only a limited program because there was no agreement on broad goals. His most important assignment was to get a basic tax and spending law for 1988 through Parliament, but that process is now so behind schedule that the government will have to operate on monthly budgets starting in January.

GULF: Soviets Seek UN Naval Force

(Continued from Page 1)

closures indicate various West European governments or companies have also been supplying Iran with weapons.

"They want a boycott with teeth," an Arab diplomat here said. "They don't want to be dragged into opposition to Iran without a real embargo. They are saying, 'Have you forgotten Iran?'"

The Soviets have told the Iraqis that they have in mind is a UN naval force that would even be empowered to impose a blockade of Iranian ports, to search ships headed for Iran and to seize any arms that are found, Patrick Tyler of The Washington Post reported from Cairo.

The Soviets have also been telling Arab governments that their long delay in agreeing to discuss a UN arms embargo is a result of their desire to avoid having the measure become just a hollow gesture with no effective enforcement measures.

Arab diplomats in the region believe the Soviet position would represent a diplomatic coup for Moscow at the United Nations and embarras both the United States and West European countries, which are likely to balk at the proposal.

The new Soviet stand seems to have the potential for putting the Reagan administration on the defensive after months of sharply criticizing the Soviet Union seeking to enhance its position with Iran by refusing even to begin discussion of a UN arms embargo on the country.

To date, administration officials have steadfastly opposed the creation of a UN-flagged naval unit operating in the Gulf because they say such a force is without precedent, likely to prove unworkable and would only serve to legitimize the Soviet presence in the Gulf.

Arab sources here and in the Middle East said the Soviet demands could be a ploy to stall the Security Council from taking any action against Iran. They noted that it would take months for the United States and other Western governments to get laws passed by their legislatures imposing penalties on companies and individuals caught selling arms to Iran.

On the other hand, the same sources said the Soviets could have a "legitimate suspicion" following the U.S. arms sales to Iran that Western nations, or companies, would continue to sell weapons to Tehran while the Soviet Union and its allies stopped.

France Dismisses Company Head in Iran Arms Affair

International Herald Tribune

PARIS — Defense Minister André Girard dismissed on Tuesday the head of a state-owned company suspected of delivering explosives to Iran.

Guy-Jean Bernardy, manager of Société Nationale des Poudres et Explosifs, was asked to resign amid reports that his company's products went into artillery shells sold to Iran in 1984 and 1985 by Swedish and Italian middlemen.

The company, which has a state-sanctioned monopoly on making and selling certain kinds of explosives, also was reported to have supplied gunpowder to Luchaire, a French weapons-maker accused of violating a ban on sales to Iran.

The explosives company's exports to Sweden in 1985 were nominally sales to a weapons-making subsidiary of Nobel Industries Sweden AB, but French press reports last month said they were destined for Iran.

There were no immediate details on the Italian link, which the newspaper Le Monde said was uncovered by customs investigators.



Kim Young Sam, a major opposition candidate, waving Tuesday to supporters in Seoul.

RACE: South Koreans to Decide Fate of Kim Dae Jung

(Continued from Page 1)

intense crowds, Mr. Kim does not see how he can lose. This belief has helped frustrate many dissidents who had hoped that the two Kims would be able to set aside their personal ambitions and settle on a single candidate between them against Mr. Roh.

Many of them blame Kim Dae

Jung for the breakup, saying, reasonably or not, that they somehow had expected him to be the one to make a grand gesture such as sacrificing himself in the name of democracy. Now these people worry that Mr. Roh may slip through.

But there are also people who argue that Kim Dae Jung's sense of mission may have saved the election.

The split between the Kims gave the government confidence that it could win, a Korean political scientist asserted. As a consequence, he said, it has resisted any temptation it may have had along the way to call off the election and thereby arrest the nation's political development before it could even get going.



Roh Tae Woo, the South Korean government's candidate for president, winding up his campaign Tuesday in Seoul on the eve of the country's first national elections in 16 years.

KOREA: Idea of Democracy Obsesses Voters in South

(Continued from Page 1)

atmosphere where I can open up and express my thoughts."

Another housewife who said she was not politically active nonetheless described a sense of oppression. "We even have to watch what we say in taxis," she said.

Such fears are not unfounded. State control extends from local policemen who keep tabs on neighborhoods to security forces on alert for subversive activity. Routine travel outside South Korea is still restricted for those under age 45. The Agency for National Security Planning, the former Korean Central Intelligence Agency, posts agents in many offices, from the economic bureaucracy to banks, according to people who work in such offices.

"There can't be a democracy here without getting rid of the KCIA — it's appalling," a senior economic planner said. He said that an agent from the security planning agency and one from the Defense Security Command, the army's intelligence network, are dispatched to every ministry in the government.

"Big Brother keeps a big hand on where people go, what they read, and how they behave," said a foreign banker who has lived in South Korea for more than 10 years. "The issue is control — it always is in Korea. It's a reflection of underlying tensions in this society."

These intelligence agencies were established to guard against a real threat of subversion from North

Korea, but have extended their scope to include policing political dissidents, according to human rights activists. Because the threat from the North remains, it is not clear what changes would be made in this intelligence network even if the opposition gains power.

Beyond such institutional barriers to democracy, many Korean scholars say, lie cultural ones as well. A heritage of authoritarianism — between leader and follower, employer and employee — will outlast the election, sociologists and political scientists predict.

"Everything moves from the top down — that's a way of life in this country, and it does not bode well for rapid democratic development," said Edward Poitras, a professor of historical theology at the Methodist Theological Seminary in Seoul, who has lived in South Korea for 34 years. "There has never been a situation here in which consensus could be reached freely. You get consensus by authority imposing its will, and then they stomp on those who disagree."

Chung Chai Sik, a professor of sociology at Yonsei University, said that authoritarianism has roots deep in Korean history. "In this society, there has never been any grass-roots level of political participation," he said. "In general, people did not think of themselves as citizens with rights to exercise and responsibilities to perform, but they tended to look to the top for direction and for favors in order to survive."

This heritage persists today, and

even opposition leaders dominate their factions, commanding absolute loyalty. This leadership style, combined with a tradition that disdains compromise as a betrayal of moral purity, helped frustrate efforts to persuade the two main opposition leaders, Kim Dae Jung and Kim Young Sam, to agree on a single opposition candidacy.

"In the Confucian tradition, negotiation and compromise are not recognized as a social norm, but as selling out," said a Korean religious leader active in the opposition, who said he was deeply discouraged by the opposition split. "Confucian scholars never used the word compromise. They had to maintain their purity of conscience, and that cultural trait is still here. How then can we form a democracy where compromise is a way of life?"

But, sociologists such as Professor Lim argue that traditions of authoritarianism are breaking down as younger Koreans balk at blind obedience. "Years ago," he said, "people worried about jobs and food, and most of the strong leaders promised them. If you follow me and sacrifice, you will be no longer accept such values from political leaders, and so this decreases the possibility of authoritarian leadership in the future."

Choi Jang Jip, a political scientist at Korea University said that ultimately, Koreans will have to fashion their own style of democracy, one that suits their own cultural traits while accommodating the demand for more freedom. "Democracy, as an idea and social institution, came to us externally, mostly from the United States," he said. "People need to internalize it."

People need to internalize it."

Peruvian Guerrillas Kill 9th Government Official

Reuters

LIMA — Suspected guerrillas shot and killed the head of the state development corporation in the northern city of Piura in the ninth assassination of a Peruvian government official this month, the police said Tuesday.

They said the guerrillas, thought to be from the Shining Path organization, opened fire Monday on Ricardo Ramos, 58, as a bomb exploded under the car he was getting into. He was uninjured by the blast, they said, but was hit in the head by the gunshots.

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WORLD BRIEFS

Lange Unconvinced on French Agent

WELLINGTON, New Zealand (AP) — Prime Minister David Lange disputed again Tuesday assertions by France that Major Alain Mafart, who was convicted in the sinking of the Rainbow Warrior in 1985, was seriously sick and in need of a medical treatment in Paris.

"The condition is not life-threatening and does not fit into such a medical emergency category that warranted an immediate evacuation," Mr. Lange said at a news conference after a New Zealand doctor, Richard Croxson, examined Major Mafart in a Paris hospital.

The French agent complained of stomach pains and was flown to Paris on Monday from Hao atoll in French Polynesia. Mr. Lange called the action an "outrageous breach" of an accord covering the detention of Major Mafart and Dominique Prieur on Hao until July 1989. The two were convicted in the sinking of the ship in Auckland harbor. A member of the Greenpeace environmental group, which owned the Rainbow Warrior, drowned when the ship sank.

Sihanouk Now Ready to Meet Hun Sen

PARIS (UPI) — Prince Sihanouk, the former Cambodian monarch and current resistance leader, reversed himself on Tuesday and said he was willing to continue talks with Prime Minister Hun Sen on ending fighting in their country.

The announcement effectively annulled his decision last week to cancel discussions that he and Mr. Hun Sen agreed to hold next year when they signed a communiqué Dec. 4 expressing their mutual desire to end fighting. The prince's latest statement said the second round of talks would be held at St. Germain-en-Laye, outside Paris, leaving the date to be chosen by Mr. Hun Sen.

Prince Sihanouk said he changed his mind because of adverse reaction from the Association of South East Asian Nations. He leads a coalition of three Cambodian rebel groups, including the communist Khmer Rouge and the non-communist forces of the country's former prime minister, Son Sann.

Poland Partly Retreats on Price Rises

WARSAW (Reuters) — Poland announced on Tuesday it was reducing potentially explosive increases in food prices that it had planned to introduce next year.

The decision followed the government's failure to win public approval in a referendum last month for a more drastic austerity program. Increases of government-controlled food prices have sparked violent protest in the past.

The government spokesman, Jerzy Urban, said that food prices would rise by 40 percent, instead of the 110 percent originally envisaged for next year. The Council of Ministers decided on the modified increase at a meeting Monday, along with an overall average retail price rise of 27 percent — against the original 40 percent — in adopting the 1988 economic plan.

Stoltenberg Apologizes for Protégé

KIEL, West Germany (Reuters) — The West German finance minister, Gerhard Stoltenberg, apologized Tuesday to an opposition leader for election dirty tricks and "misguided behavior" by a former Stoltenberg protégé who was found dead in a bath in October.

Uwe Barschel, who succeeded Mr. Stoltenberg in 1982 as the Christian Democratic Union premier of the state of Schleswig-Holstein, resigned in September, 12 days after narrowly winning re-election. He was found dead a few weeks later in a Geneva hotel, and coroners cited an overdose of sleeping pills and tranquilizers.

Mr. Stoltenberg, the party's chairman in Schleswig-Holstein, apologized to Björn Engholm, leader of the Social Democratic Party in the state, for Mr. Barschel's attempts to undermine Mr. Engholm's campaign with rumors of sexual misbehavior and tax fraud. Mr. Stoltenberg has denied any prior knowledge of Mr. Barschel's acts.

Storm System Kills 6 in U.S. Midwest

CHICAGO (Reuters) — A major storm, which spawned a tornado that killed six persons Monday in Arkansas, left more than a foot (30 centimeters) of snow Tuesday in parts of the U.S. Middle West and disrupted air and rail traffic. Forecasters said the storm was headed toward New England and Nova Scotia.

As the storm center moved northeast into the Great Lakes region, it caused damage in more than a dozen states from Arizona to Wisconsin. Six persons were killed and scores hurt Monday night in West Memphis, Arkansas, in one of several tornadoes on the storm's southern edge.

To the north, the system produced a blizzard with winds of up to 70 miles (110 kilometers) an hour in southern Wisconsin. Storm warnings for waves of up to 14 feet (4 meters) were out for parts of the Great Lakes. O'Hare International Airport in Chicago was closed for several hours.

TRAVEL UPDATE

Athens to Cut Traffic in Smog Control

ATHENS (Reuters) — Cars will be banned from three main streets, buses will have special exhaust systems and the number of taxis in the city center will be halved early next year under steps announced by the government Tuesday to reduce pollution in Athens, one of the world's smoggiest capitals.

Agamemnon Kontogiorgas, deputy prime minister, said the measures also included stepping up work on a subway system under construction, and requiring continuous working hours for shops, which now have a four-hour break that creates extra commuting to the city center.

All domestic flights of Olympic Airways and some outgoing international flights were canceled, island ferries were halted and train services were stopped Tuesday as up to two million Greeks demanding higher wages took part in a 24-hour general strike.

Airport ground workers in Rome held the latest in a series of spontaneous strikes Tuesday, causing long delays and flight cancellations for hundreds of passengers. The workers have rejected a government-sponsored pay accord aimed at ending strikes that have disrupted air travel in Italy for months. Alitalia and its ATI subsidiary canceled all departures.

Heavy fog settling over runways at the Paris airports obliged incoming flights to be delayed Tuesday to as far away as Amsterdam and London. The authorities at Orly Airport said that fog had forced six incoming flights from Singapore, New York, Algiers and other points to divert to Amsterdam, London and elsewhere. At Charles de Gaulle Airport, a flight from Tokyo was redirected to Düsseldorf, while a scheduled London-Paris flight had to be canceled.

(UPI)

ASEAN: Japan Pledges \$2 Billion

(Continued from Page 1)

Japan "for introducing the culture of each ASEAN country to the Japanese people."

In addition, he pledged his nation's active participation in finding a solution to a nine-year war in Cambodia. But he did not elaborate on what steps might be taken.

Mr. Takeshita's speech touched on virtually all points of concern raised by Southeast Asian leaders in the last year.

Japan has been criticized for slowing private trade to develop with Vietnam, thereby weakening in ASEAN's eyes regional attempts to isolate Vietnam economically until it withdraws its troops from Cambodia. The organization's members have been preoccupied to varying degrees with Vietnamese expansion in Indochina.

Increased Japanese spending on defense has provoked expressions of concern in the region, most recently from Mr. Lee. Millions of Southeast Asians are thought to have died by execution or forced labor from Thailand to Indonesia during World War II.

In economic terms, Japan — the largest creditor and investor in Southeast Asia — has been criticized for failing to open its markets to regional goods and for not transferring enough technology or managerial skills to local people.

Mr. Takeshita described good relations with ASEAN as "one of the pillars of Japan's foreign policy."

Nuclear D Remain N Shultz Say

By Elaine Sciolino
New York Times Service

BONN — The U.S. secretary of state, George P. Shultz, said Tuesday that a strong nuclear security pact will be crucial for Western security after intermediate-range nuclear missiles in Europe are destroyed.

Mr. Shultz seemed to be sending a strong message to those in West Germany who urge the elimination of German nuclear "batteries" of short-range weapons.

"We all recognize that the nuclear deterrent has kept the peace in Europe for the past 40 years," he said at a news conference after said at a news conference after meetings with West German leaders. "And so as far as anyone can see, we're going to have to continue to rely on nuclear deterrence."

Mr. Shultz, winding up a six-day European tour, arrived Tuesday in Bonn on a West German plane, supplied after the engine of his aircraft malfunctioned at the Bonn airport.

In Bonn, Mr. Shultz said predictions by conservatives that the U.S.-Soviet nuclear security pact would lead to demoralization were "nonsense."

"People who say we're in danger of eliminating everything — I don't quite get it," he said.

The U.S.-Soviet agreement has been met by increasingly public opposition to short-range missiles in West Germany, where the battle weapons would likely be used.

Many West Germans also are deeply concerned about the potential threat from the Warsaw Pact because of its advantage in conventional arms and from the Soviet Union's arsenal of short-range nuclear weapons.

Reagan Tries A New Pitch On Gorbachev

By Tom S. Nelson
New York Times Service

WASHINGTON — What was discussed when President Reagan and Mikhail S. Gorbachev disappeared into Mr. Reagan's study for a private chat on Wednesday? Arms control? Afghanistan? Human rights? No. The subject was baseball.

According to a White House aide, at the state dinner for the Soviet leader the night before, Joe DiMaggio, a guest, gave the president a baseball and asked him to sign the ball, then get Mr. Gorbachev's signature on it as well.

The president, embarrassed to ask for a favor publicly, pulled Mr. Gorbachev aside to seek his signature for the former baseball star. Mr. Reagan took the occasion, the aide added, to tell Mr. Gorbachev that they should "play ball" with each other.

HART: Re-Entry

(Continued from Page 1)

"no one believed it at first, and then they just laughed."

Some Democrats were equally chagrined. John McEoy, a longtime Democratic activist with past ties to Mr. Hart, called the decision an act of "overwhelming hubris and extreme moral blindness."

Public and private comments nearly unanimously reflected the view that the episode that led to Mr. Hart's withdrawal last spring remained a major barrier to his nomination. He withdrew after his relationship with the model Donna Rice became public.

Mr. Hart himself made no direct reference to the incident. But he said, "Getting back in this race is about the toughest thing I have ever done. And believe me, it is not done lightly."

While acknowledging that Mr. Hart may well be the front-runner in the next round of polls, most party leaders said that he could not reach the convention with the skeletal organization and scarce financial resources he apparently has available now.

"A long story for a day," said the Democratic national chairman, Paul C. Kirk Jr., "but not much impact over all."

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Nuclear Deterrents Remain Necessary, Shultz Says in Bonn

By Elaine Sciolino

Bonn — The U.S. secretary of state, George P. Shultz, said Tuesday that a strong nuclear arsenal will be crucial for Western security after intermediate-range nuclear missiles in Europe are destroyed.

Mr. Shultz seemed to be sending a strong message to those in West Germany who urge the elimination of short-range, or "battlefield," nuclear weapons.

"We all recognize that the nuclear deterrent has kept the peace in Europe for the past 40 years," he said at a news conference after meetings with West German leaders. "And so as far as anyone can see ahead, we're going to have to continue to rely on nuclear deterrents."

Mr. Shultz, winding up a six-day European tour, arrived Tuesday in Bonn on a West German plane, supplied after the engine of his aircraft malfunctioned at the Bonn airport.

In Bonn, Mr. Shultz said predictions by conservatives that the U.S.-Soviet treaty eliminating medium-range missiles would lead to denouement were "nonsense."

"People who say you've eliminated one therefore we're in danger of eliminating everything—I don't quite get it," he said.

The U.S.-Soviet agreement has been met by increasingly public opposition to short-range missiles in West Germany, where the battlefield weapons would likely be used.

Many West Germans also are deeply concerned about the potential threat from the Warsaw Pact because of its advantage in conventional arms and from the Soviet Union's arsenal of short-range nuclear weapons.

Last week, Chancellor Helmut Kohl said the problem of short-range missiles not covered by the treaty was "of special significance for our people in light of the drastic numerical superiority of the Soviet arsenal."

West German leaders did not raise the politically sensitive issue of short-range weapons in their meetings with Mr. Shultz, however, a State Department official said.

The meetings focused instead on regional and human rights issues discussed at the summit conference, and on trade and the U.S. economy and priorities for the North Atlantic Treaty Organization, the official said.

Although the issue of short-range missiles remains a thorny political problem in West Germany, he said, there has been no attempt by Bonn to break the unity of the alliance on how to proceed with further arms reductions.

Definite Summit Plan

The Soviet Union is expecting a fourth superpower summit to take place in May or June in Moscow regardless of whether a treaty on cutting strategic arms is ready for signing, a Soviet spokesman said Tuesday, Reuters reported from Moscow.

The Foreign Ministry spokesman, Boris Pyadyshov, also said the U.S.-Soviet agreement signed in Washington would bar the so-called broad interpretation of the 1972 Anti-Ballistic Missile Treaty, which Washington favors because it would permit extensive testing of President Ronald Reagan's Strategic Defense Initiative.

Mr. Pyadyshov, at the first Moscow news conference since the Soviet leader, Mikhail S. Gorbachev, returned from Washington, was asked whether Mr. Reagan would visit next spring if a treaty to cut strategic arms had not been drafted.

"Our great wish is that we have that treaty ready by the time President Reagan comes here on his visit," he said, "but we have a realistic view of the situation and we now have even deeper insight into U.S. internal developments and the lineup of forces on the American political scene covering arms control issues."

SDI Test in U.S.

The United States conducted a 44,000-volt space test Sunday indicating that orbiting battle stations would not need insulation against damage from their own weapons, the Defense Department said Tuesday, Reuters reported from Washington.

The first such test in the SDI program, it showed that a "plasma" of electrons and ions in space acts as an insulator, not a conductor, and would protect battle platforms from the high electricity needed to charge weapons aimed at nuclear missiles in flight, an official said.



Secretary of State George P. Shultz, left, with Chancellor Helmut Kohl in Bonn on Tuesday.

U.S.-Soviet Knot on Nicaragua

By Neil A. Lewis

WASHINGTON — The United States plans to complain formally to the Soviet Union about purported plans for a buildup of the Nicaraguan military with Russian help, according to U.S. officials.

The Reagan administration also moved quickly Monday to use the statements by a Nicaraguan defector to press its case in Congress for renewed financial aid for the Nicaraguan rebels, or contras.

Marlin Fitzwater, the White House spokesman, said the United States would express its concern to the Soviet Union and ask about the assertions by the defector, Major Roger Miranda Bengochea, that the Soviet Union had increased arms shipments to Nicaragua and base MIG-21 fighter aircraft there.

Meanwhile, a faint hope for progress in the effort to negotiate a cease-fire between the Nicaraguan government and the rebels faded Monday after the Sandinistas delayed a second round of talks in the Dominican Republic.

Mr. Fitzwater said of Major Miranda's assertions: "We think it's very serious. We are registering our concern with the Soviet Union through diplomatic channels."

It will be the first time the United States has formally brought the matter of Major Miranda's disclosures to the attention of the Russians, even though they were made before the summit meeting last week between President Ronald Reagan and Mikhail S. Gorbachev.

[Mr. Reagan said Tuesday that Mr. Gorbachev had pledged during

their meeting to withhold all military aid from Nicaragua in order to move forward with peace plans. The Associated Press reported from Washington. "He told me he wanted to go forward with the peace plan and that they would withhold aid from the Sandinista government in order to do so," Mr. Reagan said.]

A senior U.S. official said the administration had generally confirmed Major Miranda's information well before Mr. Gorbachev arrived.

The State Department arranged for Major Miranda to be interviewed by reporters on Thursday, Mr. Gorbachev's final day in Washington.

But administration officials denied they had withheld Major Miranda's charges from the summit agenda so that they could be used more effectively afterward to persuade Congress to provide new aid.

Major Miranda's assertions that the Sandinista government in Nicaragua is planning to build up its armed forces with Soviet help despite a Central American peace plan being presented forcefully by the administration as evidence of the need for Congress to provide new contra financing.

Major Miranda was brought to Capitol Hill Monday to meet privately with legislators of both parties.

Some legislators conceded that the major's disclosures would be of help to the administration in its efforts to persuade Congress.

A Senate version of a catchall spending bill contains about \$16 million in new aid for the contras through the end of February. There is no new contra aid in the House version of the bill, and a conference

U.S. May Push on Afghanistan

Aides Say Tough Stand Could Force Soviet Compromises

By David K. Shipler

WASHINGTON — Reagan administration officials, assessing the results of talks on Afghanistan during the summit meeting, have concluded that a tough stand by the United States could force further compromises from the Soviet Union on the timing and manner of its proposed troop withdrawal.

Officials say there is no inclination in the administration to accept the 12-month pullout offered by Moscow. Nor, they add, is the administration likely to take steps to modify its earlier agreement to wait until 60 days after the start of a Soviet withdrawal to cut off military aid to the Afghan guerrillas, known as the mujahideen.

According to an administration official who took part in the talks last week, the U.S. side felt that the Russians were trying to "maneuver us into a position where the problem becomes not the 120,000 troops but rather our support for the mujahideen."

"They're still in a period of political maneuvering," he said. "I think we really have to resist putting ourselves in a position that this is a problem we have to solve for them. This is their burden, their conflict."

Diego Cordovez, the United Nations mediator on the Afghanistan issue, arrived in Moscow on Monday for a series of high-level talks in his efforts to pursue the possibility of a Soviet troop withdrawal.

There was almost no progress during the U.S.-Soviet discussions last week, either at the level of a working group set up to deal with regional conflicts, or in conversations between President Ronald Reagan and the Soviet leader, Mikhail S. Gorbachev.

Mr. Cordovez, the UN undersecretary-general for political affairs, has been conducting indirect negotiations in Geneva between Afghanistan and Pakistan, which have produced a set of "understandings" linking a troop withdrawal to an end to outside interference in Afghan affairs.

U.S. officials who took part in the discussions last week say that Moscow seems eager to get out but still wants to structure a withdrawal to preserve a role for Afghan Communists in an interim government.

Mr. Gorbachev and lower-ranking Soviet officials urged repeatedly that the United States cut off military aid to the guerrillas before a withdrawal began, according to various accounts of the talks.

"They said, 'If only you'll stay your hand we can get out,'" one official recalled. "We kept pointing out that we've already agreed in the context of these Geneva negotiations that that's what will happen. The question is, at what point in time. They hope the timing is such that the mujahideen will be demoralized faster than they get out."

The United States has agreed to serve as a guarantor of the Geneva understandings, which would mean cutting off military aid to the guerrillas in conjunction with an agreed timetable for Soviet withdrawal. The cutoff would take place 60 days after the beginning of the troop withdrawal.

The Soviet proposal for a 12-month withdrawal period did not draw much enthusiasm from administration officials. They fear that, the longer the period, the more vulnerable the insurgents will be to attacks by elite Soviet units, which may be withdrawn last.

Officials said Mr. Gorbachev, in his discussion with Mr. Reagan last Wednesday, appealed for an end to U.S. support for the guerrillas but did not press the point vigorously.

"I think that he may have not wanted to give the impression that they were hurting and didn't want to push too hard," a U.S. official said.

"I think they're confused. He said he would like to work it out and we ought to be in touch with people we have contacts with," the official said, apparently meaning the guerrillas. "There was no specific negotiation. The period ended without a resolution. The American and Soviet positions ended pretty much as they went in."

Soviet officials have reportedly made comments indicating that they want the United States to press the guerrillas to make sure the last Russians do not leave Kabul under fire, as the last Americans left Saigon in 1975.

Reagan Tries A New Pitch On Gorbachev

New York Times Service

WASHINGTON — What was discussed when President Reagan and Mikhail S. Gorbachev disappeared into Mr. Reagan's study for a private chat on Wednesday? Arms control? Afghanistan? Human rights? No. The subject was baseball.

According to a White House aide, at the state dinner for the Soviet leader the night before, Joe DiMaggio, a guest, gave the president a baseball and asked him to sign the ball, then get Mr. Gorbachev's signature on it as well.

The president, embarrassed to ask the favor publicly, pulled Mr. Gorbachev aside to seek his signature for the former baseball star. Mr. Reagan took the occasion, the aide added, to tell Mr. Gorbachev that they should "play ball" with each other.

HART: Re-Entry Shakes Up Race

(Continued from Page 1)

"no one believed it at first, and then they just laughed."

Some Democrats were equally chagrined. John McEvoy, a longtime Democratic activist with past ties to Mr. Hart, called the decision an act "of overwhelming hubris and extreme moral blindness."

Public and private comments nearly unanimously reflected the view that the episode had led to Mr. Hart's withdrawal last spring remained a major barrier to his nomination. He withdrew after his relationship with the model Donna Rice became public.

Mr. Hart himself made no direct reference to the incident. But he said, "Getting back in this race is about the toughest thing that I have ever done. And believe me, it is not done lightly."

While acknowledging that Mr. Hart may well be the front-runner in the next round of polls, most party leaders said that he could not reach the convention with the financial organization and scarce financial resources he apparently has available now.

"A big story for a day," said the Democratic national chairman, Paul G. Kirk Jr., "but not much impact over all."

That view was sharply challenged by others. The veteran Chicago politician William J. Daley, who is uncommitted, said, "I don't think it's out of the realm of possibility that he can be in the run all the way." He noted that "plenty of people have voted for Gary Hart already" in Mr. Hart's 1984 presidential campaign, "and he's clearly going to make himself the lightning rod for everybody who thinks this field is a bunch of lightweight."

Many analysts noted the severe organizational difficulties that Mr. Hart faces as he bids to climb back into the race he once led.

Between now and Jan. 15, Mr. Hart must race to meet presidential filing deadlines in 15 states, accounting for at least 1,245 delegates to the Democratic National Convention. That is about 30 percent of the 4,160 delegates who are to attend the convention next July in Atlanta.

Rice Out of Work

The company that markets "No Excuses" sportswear said Tuesday that it has dismissed Miss Rice, 29, as its television commercial spokeswoman and has hired someone else to be its "No Excuses Girl." Reuters reported from New York.

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4 14 24 34 44	4 14 24 34 44	4 14 24 34 44	4 14 24 34 44	4 14 24 34 44	4 14 24 34 44
5 15 25 35 45	5 15 25 35 45	5 15 25 35 45	5 15 25 35 45	5 15 25 35 45	5 15 25 35 45
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INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Koreans Want Respect

Put aside for the moment the fiery oratory of the rivals in today's free election in South Korea, the first in 16 years. Ignore, too, competing threats: military intervention if left-of-center Kim Dae Jung wins, versus riots by radical students if the ruling party's nominee, Roh Tae Woo, is declared the victor. Instead ponder the abiding enigma of South Korea: a dazzling economic success with an authoritarian political history that embarrasses the managers and workers who have wrought the Korean miracle.

The elections test Korean political maturity. Is it a country to be taken seriously, as host for the 1988 Olympics, as a partner in Asian policy? There is no sign that the American commitment to defend South Korea will be affected, but whether the elections are free and fair will have a profound effect on American attitudes.

South Korea's annual growth has averaged 8 percent over 25 years. The country now ranks 12th among trading nations; its exports constitute an awesome 82 percent of its gross national product. True, glaring economic inequalities persist, but this does not lessen the baffling anomaly of the political run inside the economic giant.

For 26 years South Korea has been a military protectorate. Civilians and stu-

dents who challenged the system have faced tear gas, treason trials or worse. Koreans who were trusted with making sophisticated electronic equipment were not trusted to judge their rulers, or read an uncensored press. Civilians could make South Korea rich, but only a uniformed elite was allowed to make the big political decisions.

There was always the confidence that the United States would indefinitely sustain 40,000 troops to protect Seoul from another invasion from the Communist North. It was assumed, too, that Washington preferred "friendly" authoritarians to more demanding democrats—an assumption that Washington did little to correct until recently.

But the mood has changed. Koreans yearn for the world's respect. That impulse caused Seoul to clamor for the privilege of playing host to next summer's Olympics. Having won it, the South Korean military had to accept the price of scrutiny. Also, South Korea's economic miracle would surely be jeopardized if the elections were rigged by the military or if fair results were not accepted by the opposition.

How the vote is conducted will show whether the prospering South Koreans have earned the right to govern themselves.

—THE NEW YORK TIMES.

South American Battles

Democracy has returned to South America in this decade, a change of immense promise for the Western Hemisphere. Because Argentina and Brazil were the crucial cases, it is troubling that a deep sense of disorder and decline has seized both countries. This disillusion is not yet irreversible, but the direction in which events are moving is not reassuring.

Inflation is soaring again in both countries, eroding the authority of both governments. Both had developed plans to stabilize their currencies. Both then made compromises to boost their popularity before recent elections. Neither is currently succeeding in containing the inflationary pressures generated in those election campaigns. Foreign debts aggravate the present troubles, but are not the cause of them.

Brazil's situation is particularly difficult, for its economic troubles are compounded by constitutional uncertainty. The process of writing the country's basic law has turned into a bitter struggle between President José Sarney and his adversaries, many of them in his own party. They want elections next year, to get him out of office as soon as possible. He wants a longer term, to complete the constitution, the project for a formal and plausible economic policy has steadily needed.

Argentina's President Raúl Alfonsín un-

fortunately lost his congressional majority in the September election and now, with diminished strength, is working to revive the plans that had been working well. In the two countries the dilemma is the same. To control inflation, the governments have to do painful things—open up protected markets; trim down or sell off enormously overstaffed state enterprises that developed during decades of political patronage; raise taxes. All of those necessary remedies are, as you would expect, vehemently opposed by the people when they threaten.

Americans are in a poor position to offer advice, since President Reagan and the U.S. Congress have just demonstrated their own inability to make the same kind of adjustment, although on a far smaller scale than that required in Brazil or Argentina. In both countries inflation is back up in three digits. And in the politics of both, the military forces remain an influential and ominous presence. But there is also a certain unhappy similarity between those countries and the United States. In all three, the economic requirements are clear and the political systems balk at dealing with them.

Of the three, you might note, it is Argentina that is currently making the most serious attempt to regain its financial balance.

—THE WASHINGTON POST.

Humberto and Daniel

From Managua the Ortega brothers have been reporting on the shape of military things to come. First, Humberto Ortega, Sandinista defense minister, said that Nicaragua was halfway to building, with Soviet support, a 600,000-man defense force and that the country had "not renounced" acquisition of advanced weapons, including MIG fighters of a sort that Washington insists it won't countenance. The next day, Daniel Ortega, Sandinista president, said that the defense plans assessed by his brother were not a military "project" to the government and that in peace Nicaragua would have only a "modest army."

Humberto Ortega, it is suggested, was either sounding off defiantly in the way Sandinistas do or putting an arm on the Kremlin, whose spokesmen, in Washington, ducked the whole question of what military aid Moscow might yet provide. But he was also raising the specter of an immensely overarmed state on the make that gives the rest of the region nightmares. Presumably that explains why Daniel Ortega jumped in to assert that his country was ready to negotiate arms reductions all around. Nicaragua, he said, could not afford a huge standing army, although it wants to have the entire population trained to defend the country—in the manner of the Swiss.

The difference between the Ortegas may be less than meets the eye. Humberto expresses the Sandinista's strategic ambition, Daniel their tactical discretion. Which line will guide Nicaraguan policy? It would be the height of foolishness, especially on the part of other Latin Americans, to disregard the ominous shadow cast by Humberto Ortega. The moderation suggested by Daniel Ortega remains at this point entirely air.

Forbade, who is in a position to make it come out either way, Nicaragua will be a prime place to test the sanguine forecast that he is now turning down the heat in the Third World. From what is known, Nicaragua was discussed for all of 15 seconds at the summit. Reportedly, the Soviet leader offered to suspend military aid to Managua if the United States cuts off the contras in the context of the Central America peace plan. The U.S. government says it intends to follow up. Meanwhile, the Ortegas' remarks will enter the U.S. debate over contra aid and, more important, the Central American decision due next month on whether Nicaragua is complying with its peace pledges. What will Managua do in the next few weeks to convince its neighbors that it is not planning to overwhelm and terrorize them?

—THE WASHINGTON POST.

Watch Your Levator

The phony smile is one of those little hypocrisies without which there would probably have been a nuclear war by now. It is essential at summit meetings and at occasions where grape drink is spilled on your white sofa by a friend's 4-year-old. While its genuineness is often suspect, it can be accepted at face value, since there is no scientific way to measure the sincerity of a smile.

Or so we believed, if you recall a few days ago, when we in The New York Times that some California psychologists are working on ways to do just that—measure and classify smiles, separating out the real ones from the painted facsimiles. "All smiles are not the same," says Paul Ekman of the University of California medical school in San Francisco. "A polite smile or a forced one produces a different muscle pattern than does a spontaneous smile."

To illustrate some of the findings of Dr. Ekman and his colleagues, The Times published four photographs of a woman displaying different smiles. All seem pleasant

enough, but The Times explains that only one is "a genuine happy smile," distinguishable by the fact that "the muscle around the eye called the orbicularis oculi tightens to create crow's-feet while another muscle, zygomatic major, pulls the lip corners upward." In false smiles, "the muscle between the eyebrows tends to furrow slightly." In one picture, "a trace of sadness is apparent as the triangular muscle pulls the lip corners down." In two others, "disgust is revealed by the upper lip, which is raised by the muscle levator labii superioris."

The authors of the smile research believe that it will in time prove useful to physicians and psychotherapists by helping them determine whether their patients are masking inner anguish with a smile. And during the next summit, the rest of us can keep a close eye on Ronald Reagan's zygomatic major and Mikhail Gorbachev's orbicularis oculi, and hope against hope that there is no activity in the levator labii superioris of either.

—THE WASHINGTON POST.

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OPINION

It's Time for a Message to Headquarters

By Flora Lewis

WASHINGTON — When the summit's lights and fanfare have faded in memory, Washington can be expected to revert to the crotchety, disorganized, almost mindless mood it was in just before, when, though, President Reagan has gained in popularity, and rightly, as a result of the missile treaty.

It shows that people do want to draw back from the crazy arms race, and that they do want decisive leadership. Prospects for ratification without crippling amendments have greatly improved as that fact sinks in, and as critics contemplate the disaster that would result at home and abroad if the treaty were killed.

But otherwise, Washington isn't working well



these days. The sense of disarray goes much beyond the usual end-of-term unraveling. Politicians and ranking officials complain acridly of the way they feel things are falling apart, and how their peers take refuge in narrow, specialized questions which do not require thinking about the big issues facing the nation.

A kaleidoscope of examples:

At the White House, an official throws up his hands. "There's no leadership here, no approach."

At the State Department, an official received a detailed 40-page study from the Guatemalan government of just what the effects of the Arias plan would be for each of the five countries in Central America, who would gain and who would lose from it. "Nowhere in the U.S. government has such a study been made," the official said. "We just harangue and argue."

Another official at State passed on a report from a friend at the White House that the president now works about 15 minutes a day.

On Capitol Hill, congressmen complain that the leaders can no longer deliver their own party's votes on important questions. They say it has become a new "me generation," everybody looking out for his own seat with little concern for party cohesion or presidential politics, let alone the bipartisanship which is essential on difficult issues like the economy.

The majority leader, Jim Wright, has come to view the administration's approach as diabolical, headless, and encroaching on the executive's prerogatives, especially in foreign policy. It is true that Congress is not really equipped to make policy; it can only dash at points of special irritation. But there is a sense of vacuum, and it is being filled in a hodgepodge way with bits and pieces of contradictory decisions.

There are many thoughtful people in Washington who worry aloud at the way the functions of government seem to be losing coherence. They do not blame it all on lack of leadership.

The profound impact of modern communications, which let leaping technological advances appeal to the great mass audience, plays a part, as do the procedural changes in the way the parties select presidential candidates. How did party activists in Iowa and snowbound voters in New Hampshire suddenly become the country's most powerful constituencies?

The campaign needs to move on to the question of what Americans expect of government. If the people are smarter, it is time to send a message.

The New York Times.

speaks with pride of the response he got from his constituents when he advocated a yearlong total freeze on federal spending. There were some grumbles about entitlement, but the main reaction was support so long as all spending would be affected. "The people are smarter than the politicians," he said. "I think they are hungry for leadership, for something that's fair."

He feels that the candidates for the presidency are willy-nilly copying the non-leadership of Mr. Reagan, "retailing" their campaigns on local questions instead of addressing larger concerns.

The usual glib that holds partisan rancor together in the name of getting results seems to have melted. Distrust is more intense than normal between Republicans and Democrats. Many senators say they are not enjoying their work any more. They spend too much time raising money and finding ways to get in front of the television camera so they can send tapes to be played back home, instead of considering policies.

Many in the administration feel that Congress is overreaching and encroaching on the executive's prerogatives, especially in foreign policy. It is true that Congress is not really equipped to make policy; it can only dash at points of special irritation. But there is a sense of vacuum, and it is being filled in a hodgepodge way with bits and pieces of contradictory decisions.

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The New York Times.

Letting the Dollar Fall Doesn't Fix the Trade Deficit

By Robert Kuttner

WASHINGTON — It has been more than two years since the value of the dollar began to plummet, yet America's trade deficit continues to soar, seemingly in defiance of the laws of economics.

The dollar has dropped from an average of 252 yen in 1984 to 129 yen last week, but the U.S. trade deficit with Japan has declined only slightly. Overall, the October gap between U.S. merchandise exports and imports, \$17.63 billion, set a record.

Last week, a group of distinguished international economists gathered at Brandeis University's Lemberg Center to puzzle out what is happening. Their conclusions were unusually depressing.

As economist Jeffrey Sachs has put it bluntly, "The equations don't hold up." Though an overvalued dollar in the early 1980s indeed made U.S. products less competitive in world markets, a cheaper dollar has not undone the damage.

That is a devastating conclusion, since it means that America's principal strategy for solving the trade gap—cheapening the currency—is not working. U.S. competitors are not using cheaper dollars to buy American products; they are using cheaper dollars to buy American companies and American real estate.

Why doesn't the strategy work? One reason: a 70 percent drop in the value of the dollar does not automatically lead to a 70 percent rise in the price of a Toyota is that Japan imports most of its raw materials, and those raw materials are priced in dollars. Since 1985, Japan's index of wholesale prices has actually dropped by 15 percent. When a Japanese manufacturer pays less for ma-

terials, that holds down the dollar price of the finished product.

Second, Japanese and West German manufacturers are astute at competing on the basis of quality rather than price. As their currencies have become more expensive, they have compensated by making better products. The price of the average Japanese car sold in America has risen since 1985, says Ruyter Wakasugi of Shinshu University, but only about half as much as the yen has risen. Yet the 1988 product is also more car, so Americans keep buying.

Third, West German and Japanese exporters gradually have moved some of their production to low-wage countries like South Korea and Mexico, whose currencies are pegged to the dollar. When the dollar gets cheaper, labor costs get cheaper.

Further, companies long in the export business, like those in West Germany and Japan, are good at adjusting their profit margins to compensate for the swings in currency values. When the dollar is high, they reap above-average profits; when the dollar is low, they take a bit less. It even works in the end.

The result, says Catherine Mann, a Federal Reserve Board economist, is a big departure from the predicted mechanical relationship between exchange rates and prices. And since U.S. companies have stopped making some products, Americans keep buying imports, despite higher prices.

Most economists say that the dollar must decline further just to compensate for past declines in American competitiveness. But unless U.S. companies also learn to compete in a

world economy, a cheaper dollar will not close the trade gap; it will only make America a poorer nation.

One national asset is the skill of the work force. The quality of West German and Japanese workers reflects first-class educational and training systems. In Japan, school teachers are paid salaries comparable to doctors. In Germany, the government sponsors extensive apprenticeship programs. In both nations,

interest rates are low and hostile corporate takeovers are unknown.

Until America learns some of those lessons, as well as tricks of currency manipulation, the dollar can sink beneath the waves and the trade picture is unlikely to improve.

The writer is the economics correspondent of The New Republic and author of "The Life of the Party: Democratic Prospects in 1988 and Beyond." He contributed this column to the Los Angeles Times.



Civilians and the Military Can Learn to Compromise

By David C. Unger

NEW YORK — In South Korea, military officers, worried about an opposition victory, talk about blocking today's election. In Haiti, the military juggles electoral rules to protect its interests. In the Philippines, the leader of a military reform movement is captured after repeatedly plotting against the government. Argentina feels aftershocks from last spring's military revolt against human rights trials. Brazilian officers have defied civil authority to press pay claims. And Chile prepares for a plebiscite that could begin a transition from 15 years of military dictatorship.

There can be no stable passage to democracy unless civilian politicians and military leaders work out mutual problems. That means a changed role for civilian politicians, and for officers long at the center of political power.

Civilians persecuted by past military regimes care little about military sensibilities. Militaries that see themselves as custodians of national honor do not easily bend to civilian rule.

One disservice possibility is that regardless of who wins the elections, the victory margin will be so slim as to bring its legitimacy into question. Another is that radical students, who often seem ideologically closer to Communist North Korea than to the South, will provoke the government into doing something foolish.

—Kasper Beech, who won a Pulitzer Prize for his reporting from Korea in 1951, in the Los Angeles Times.

South Korea is almost there

South Korea is almost there

South Korea is almost there

South Korea is almost there

South Korea is almost there

South Korea is almost there

the military stay in the barracks if the civilian regime faces severe crisis?

All these issues are now posed in Argentina. The Alfonsín government may have oversteered its political strength by threatening so many officers with trials. Perhaps it erred by not finishing the job sooner, while its strength was at a peak. Anxiety over trials now combines with a reformist challenge to politicized top officers, who are blamed for lost military prestige. Obedience along the chain of command is dangerously unreliable.

In Brazil, a nervous military blocked direct presidential elections in 1984 and averted trials for human rights abuses. President José Sarney now stumbles along without mandate or real constituency. Junior officers have begun to take matters into their own hands over pay, with sympathy from the generals whose support the isolated government requires.

In the Philippines, the reform movement was checked two years ago for ignoring Ferdinand Marcos's orders went on to challenge Corason Aquino. His vague program still includes the demands that motivated the earlier revolt—higher pay, better counterinsurgency programs and less corruption. Colonel Gregorio Honasan, now under military arrest, has won sympathy from fellow officers.

And in South Korea, officers who helped Chun Doo Hwan come to power now worry about possible re-

prais if their critics win today's election. Although both major opposition candidates have promised reconciliation, military leaders have remained ominously skeptical.

Civilian-military conflicts can be resolved. In Greece, Spain and Portugal, democrats have shown that they could punish military leaders for illegal acts, intelligently address pay and modernization needs and avoid frontal attacks on military prestige.

Washington can help, as it has with warnings about military rule in the Philippines and South Korea. Clear and repeated signals are needed to make Koreans forget past U.S. tolerance for strong-arm coups. In Haiti, the Namphy junta still does not take seriously U.S. threats to cut off aid.

The critical decisions, however, will be made in the countries undergoing transition to democracy. Wise heads are needed to resolve when military and security concerns have a legitimate claim on the democratic process, and when bowing to them undermines constitutional rule.

The New York Times.

100, 75 AND 50 YEARS AGO

1887: An Astor Is Buried

NEW YORK — Something of the pomp and parade of a State affair marked the funeral services [on Dec. 15] over the remains of Mrs. John Jacob Astor. It was probably the largest private funeral seen in New York in many years. The highways and byways leading to the chapel were black with carriages, and within the little house of worship were over one thousand five hundred more intimate friends of the family.

1912: Costly War Talk

LONDON — Mobilization of troops costs much, but baseless rumors designed to upset market values cost more. Cape Court has been suffering from too much war talk from Vienna for weeks, and last week investors were troubled with nerves and refused to buy anything except Americans. The "Economist" declares that the new method of financing wars and armaments by Treasury bills is

largely responsible for the scarcity of money here. One of the most encouraging things noted during the week was a reduction by Lloyd's of rates on shipping and against hostilities between the Great Powers.

1937: The Widows' Pique

VIENNA — His life made miserable by the legal onslaughts of seven irate widows, Franz Lehar, celebrated composer of "The Merry Widow," has been forced to leave his apartment in the Theobaldgasse [and seek refuge in his summer home in the country]. It seems that some time ago his tenants complained that the clotheslines were worn out. The composer-proprietor immediately had new clotheslines put up. But at the end of the month his tenants received a bill for a goodly number of shillings for the clotheslines. Seven widows, whose humor was anything but merry, were the ringleaders in instituting legal proceedings for the clothesline affair.

International Herald Tribune.

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100, 75 AND 50 YEARS AGO

OPINION

Reagan Left Something Out of Eleni's Story

By A.M. Rosenthal

NEW YORK — On Aug. 28, 1948, Eleni Gatzoyiannis, a peasant woman 41 years old, was murdered in the tiny stone village of Lia in the Greek mountains. She was shot by a firing squad, finished off with a bullet to the head. Her body was thrown into a ravine.

Years passed. Her son Nicholas grew to manhood in the United States. He spent years tracking down the man who ordered her death, to kill him. But when he confronted the murderer he did not take out his gun. He remembered his mother's last words: "my children," a cry of love that bound him.

Nicholas knew killing the murderer would seal the lives of his own children; that would not be love as Eleni knew love for children. He spat in the killer's face but walked away from the act of retribution for which he had turned so long.

On Dec. 10, 1987, President Reagan told the story of Eleni and her son in his talk on the results of the summit meeting. He said Eleni's last cry was for all the children of the world, a cry for peace, love and understanding.

I was happy for Nicholas Gage, who was a fine reporter for The New York Times and is now a writer of books and producer of films. One of his books is "Eleni," and it will live. He is a trusted friend. But then I became saddened, because I realized the president had not told the whole story. There were questions to which he knew the answer but which he had chosen not to raise.

Who murdered Eleni? What was her real crime? Eleni Gatzoyiannis was murdered by the Communist guerrillas in Greece. It was not an isolated act of violence but part of a carefully planned campaign of terror against the par-

ents of the Greek mountain villages. Her crime was that she had helped her son and three of her daughters escape the roundup of Greek children marked for deportation to nearby Communist Albania, and thence to

ON MY MIND

permanent exile in Communist indoctrination camps in Eastern Europe. This information was omitted from the speech. The feeling at the White House, I was told, was that to say flat out that the Communists did it might have been too jarring a note.

Well, perhaps that was the right thing to do. The president did speak out against totalitarianism, now almost a naughty word among American admirers of Mikhail Gorbachev. I wish he had told the whole story, but then it is a bit easier to be a columnist than a president.

But in Eleni's memory it must be stated who killed her. And it was Nicholas Gage who pointed out to me why it is so important to explain that she was executed by the Communists for daring to protect her children from kidnapping.

The reason is that the abduction of children is still being practiced by Communists, today, in Afghanistan. Tens of thousands of children are removed from their homes to be indoctrinated in special schools inside Afghanistan, most of them against the wishes of their parents.

And the Communist Afghan government itself has announced that every year 2,000 children are sent for education and training to the Soviet Union.

for periods of up to 10 years. The Soviet puppet regime in Kabul says that most of the children are orphans, offspring of "martyrs" killed by the Afghan resistance. More than 25,000 youngsters have been sent off in this way.

Even if they really were without family, the deportation would be counter to international law and any concept of human rights. But the fact is that the clan system of Afghanistan takes in orphans and nurtures them.

The abductions have been attested to by United Nations officials, foreign diplomats, correspondents, Afghan parents and the words of the Kabul regime.

Forced training in Afghanistan or the Soviet Union is part of the Kremlin's program of Sovietization of Afghanistan — a program of indoctrination, bases and secret police that General Secretary Gorbachev and his Politburo hope will keep Afghanistan in the Soviet orbit long after any withdrawal of Soviet troops, if that ever takes place.

When the Communist guerrillas in Greece knew they were losing the civil war they rounded up the people of Lia at gunpoint and herded them into Albania. For the first time in 2,500 years, Lia became an empty place. Only crows remained, feeding on corpses.

Later, the people came back. Nicholas is now head of his clan, which centers in Worcester, Massachusetts. He returns to Lia three or four times a year, to help build the village and to bear witness that in her death, Eleni left life.

She lives in the freedom of her children, and in the connection between her murder and the sorrows of other mothers, very far away and four decades later.

The New York Times



The Scared Young Writers Want Their Letters Read

By William Raspberry

WASHINGTON — When the children of Peace Bird came to Washington early this month, Soviet Embassy officials not only accepted their symbolic flowers but, smooth as silk, invited them in for Coke and chocolates.

The reception at the White House

MEANWHILE

was a little different. The international delegation got to speak only with a security guard. Their flowers — American Beauty roses, at that — wound up in a White House trash can.

All of which proves... well, it proves nothing except that someone at the Soviet Embassy was alert to the public relations possibilities, while a guard at the PR-conscious White House blew the deal.

It is not that big a deal, of course — sort of like having a surly hat-check girl take the edge off a gourmet banquet. The main feast — the Reagan-Gorbachev summit meeting and the signing of their arms-reduction agreement — was no less memorable. But for the 45 members of Peace Bird, the subsequent White House apology will not kill the bitter aftertaste.

The interesting thing is that the administration had done a lot of things right until that gaffe. In March, when members of Peace Bird sought to meet with U.S. and Soviet officials in West Germany, the Soviet ambassador agreed only to receive the children's adult guide, Holger Guessefeld. The U.S. ambassador, Richard

Burt, received the children themselves and passed along their request to meet with Mr. Reagan and Mr. Gorbachev during the summit session.

A few months later, they had a three-page letter from President Reagan which, while not offering a personal meeting, played all the right chords.

Who are these children, who showed up in Washington with their roses and thousands of letters from youngsters all over the world? According to Mr. Guessefeld, Peace Bird is a tiny West German-based group of children from 31 countries who are worried about the future of the world and hope to have their fears taken seriously by world leaders.

Mr. Guessefeld cited a survey showing that fully half of Europe's children think there will be a nuclear war in their lifetime. "It's difficult for them to think of such long-term concerns as careers and family when they think they are likely to die in a nuclear war," he said.

Adults like Mr. Guessefeld, a writer of children's books, in danger of exacerbating these fears? Not at all, says Mr. Guessefeld. "We really try to calm them, but they read the papers, they have the information, and they really are fearful. We know Reagan and Gorbachev won't actually read the letters. What the children are asking is that the two men set up an East-West commission or some such thing to read the letters and issue a report on the war fears of children today."

"There's nothing political about what the children are doing. The children who are most afraid are not the children whose parents are in the peace movement but those who just hear about the chance of war by chance and who can't speak about it to their parents because their parents don't like discussing the subject."

At least some adults are taking the youngsters' fears seriously: Ambassador Burt, for instance, and the 30 German mayors who have written letters of support, and Luthmann, which supplied 34 free tickets for the 45-member delegation to fly to the summit meeting.

And so is President Reagan, when his people let the message get through. His "Dear young friends" letter to Peace Bird said all the right things, ending with this: "Our aims are simple, our agenda short. We seek peace and freedom, and when I meet with Mr. Gorbachev later this year, that is the agenda I will pursue. As I do, so the messages and encouragement I have received from young people like you will be close to my heart."

"It is to you that the legacy of our achievements in peace, freedom and prosperity will pass. But it is from you that so much of our inspiration to build that legacy comes."

It's a shame that the president's eloquent response was wiped out by an insensitive security guard.

Washington Post Writers Group

LETTERS TO THE EDITOR

A Traffic Accident?

The report in your Dec. 10 issue on the Gaza disturbances cites "local residents" as saying that the protests were triggered by an incident in which "a truck driven by an Israeli swerved into a lane of incoming traffic near Gaza City and collided with two vans carrying Arab workers. At least three Arabs were killed and seven injured." This seems to imply an ordinary traffic accident.

However, the Dec. 10 Financial Times in London gives an altogether different coloring to the incident, as follows: "What sparked off the trouble were the grisly deaths the previous afternoon of four Gazans, crushed by an army truck at a military checkpoint while their car waited for its turn to pass through the controls. Seven others in the vehicle — packed with day laborers returning from Israel — were seriously injured, in an incident Palestinians said they were convinced was deliberate. It followed the stabbing death of an Israeli civilian in Gaza City on Sunday."

MUSHTAQ QURESHI, London.

Just Reduce Nuclear Forces

The proposal made by Richard M. Cyert and Jean-Jacques Servan-Schreiber in "Untie the SDI Knot With an Offer of Joint Research" (Dec. 1), was generous in inspiration — and quite silly. Why should the superpowers spend tens of billions of dollars on space defenses against nuclear missiles that they both want to reduce greatly or even eliminate? It would be better to reduce nuclear and conventional forces to levels that would make an attack of either side most improbable.

With the savings thus realized, the U.S. government could greatly reduce Third World debt, and the Soviet government could offer its population much-needed housing and enough meat, fruit and vegetables for a decent living.

JULIAN KRELMAN, Paris.

How can Messrs. Cyert and Servan-Schreiber write that "today we have clear evidence, at last, on the real reason" Moscow opposes SDI? The reason has been familiar not only to the Kremlin but in the West since long before Mr. Reagan

made his "star wars" speech in 1983. He himself said in that speech: "I clearly recognize that defensive systems have limitations and raise certain problems and ambiguities. If paired with offensive systems, they can be viewed as fostering an aggressive policy, and no one wants that."

The language is slightly obscure, but it refers to the arguments against "area defenses" that had been ventilated during the years when the Anti-Ballistic Missile Treaty was being negotiated. It was clear then and it is clear today that for one side to have area defenses allows it to contemplate a first strike without fear of retaliation.

ELIZABETH YOUNG, London.

Trade EC Foods for Ore

One way to reduce the burden of the European Community's farm surpluses would be to create a European strategic stockpile of base metals, through barter of foodstuffs for ore with Third World ore producers over a period of years. A commitment not to dispose of the metal

stocks for, say, 30 years would ensure that metal prices remained unaffected.

The substitution of nonperishables for perishables would bring considerable savings on storage costs, and the operation would help reduce food shortages in the Third World.

PETER GAL, Amstelveen, Netherlands.

An Early Start on Visas

I would like to compliment Roger Collis for his excellent article, "How to Keep a Step Ahead in the Eternal Visa Game" (The Frequent Traveler, Dec. 4). Any frequent traveler who follows the advice of Tom Mahoney, the manager of a personalized service for visas and passports in London, will find that applications for visas will be simple. I would like to add one suggestion to Mr. Mahoney's list: Smart frequent travelers who do not currently possess visas for the United States should apply now. You do not need to have a specific trip in mind to apply for a visa. Multiple indefinite visas are available for many nationalities. The combination of in-

creased travel to the United States by foreign nationals and an acute shortage of U.S. government funding for peak-season temporary help means that visa lines will be longer than ever next summer. Travelers should apply now and do so, wherever possible, by mail or through travel agents.

EILEEN A. MALLOY, Consul, U.S. Embassy, Dublin.

Not Violent, Not Peaceful

Regarding "Nonviolence Is Unwelcome as a Palestinian Weapon" (Dec. 1):

Anthony Lewis mistakenly believes that Israel should welcome Mubarak Awad's "nonviolence" as a legitimate "peaceful political means of expressing Palestinian nationalism." Evidently Mr. Lewis is unaware that cutting water lines, power lines and telephone lines is part of Mr. Awad's program, which expressly aims to damage the economy and impair defense capability. He advertises his nonviolence as violence-inducing. This and more are

in his published writing. No Martin Luther King Jr. is he!

Perhaps Mr. Lewis was led astray by the U.S. State Department's strange characterization of Mr. Awad as a "moderate influence." The United States does not apply that standard internally.

JOSEPH LERNER, Jerusalem.

Japan Makes Its Choice

Japan can choose to receive either goods or dollars in exchange for its exports to the United States. If it chooses dollars over the long haul, something must give. It is a two-way street.

DENNIS BALLOU, Singapore.

The Swiss Did Long Ago

James R. Fees (Letters, Dec. 8) accuses James Baker, the U.S. Treasury secretary, of trashing the dollar. But we in Switzerland have been calculating the long-term dollar-Swiss rate at 1-to-1 for years.

ZAS TOUPLI, Geneva.

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Norway (post) N.Kr.	1,800	38	990	32	540	26
— (incl. del.) N.Kr.	2,300	21	1,270	13	700	4
Portugal Esc.	22,000	52	12,000	47	6,600	42
Spain (post) Ptas.	29,000	41	16,000	35	8,800	28
— Madrid (incl. del.) Ptas.	42,000	15	21,000	15	10,500	15
Sweden (post) S.Kr.	1,800	38	990	32	540	26
— (incl. del.) S.Kr.	2,300	21	1,270	13	700	4
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Rest of Africa, Gulf States, Asia \$	580		320		175	

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Translating English Into Plain English

By Caroline E. Mayer
Washington Post Service

WASHINGTON — As bureaucrats go, the small print on the Department of Education student-loan form was a fine example:

"Should the maker of the obligation tender payments thereon to the undersigned subsequent to the filing of this application, it is hereby agreed that such moneys will be accepted for and the proceeds immediately transmitted to the U.S. Office of Education."

But when the Document Design Center finished translating the paragraph into plain English, the meaning became clearer:

"If I (the lender) receive any payments from the borrower named

above after I have sent in this claim, I agree to send the money to the Department of Education AFTER the Department has paid out my claim."

The Document Design Center, part of the American Institutes for Research, a nonprofit organization formed 41 years ago and based in Washington, is in the forefront of the "plain-English" movement.

The American Institutes for Research, financed by government and corporate grants, has done thousands of projects, from evaluating bilingual education programs to developing tests for airlines to use in selecting pilots.

Employees at the Document Design Center say they look forward to interpreting government and corporate gobbledegook — not for enjoyment, but rather for the challenge of turning it into plain English.

"We see ourselves as translators," said Janice C. Redish, the center's director. "We serve as interpreters between people in the technical world and people who need that information but don't live in the technical world."

Another company in the "plain English" movement is Editorial Ex-

perts Inc., a company in Alexandria, Virginia, that has grown from an at-home, free-lance business into a \$3 million a year company providing editorial services to the government, local companies and trade associations.

Both the Document Design Center and Editorial Experts are part of a growing number of companies in the plain-English business, a business that was unheard of 10 years ago. "The industry has nearly doubled since 1980," said William Stolgitis, executive director of the Society for Technical Communications.

"The number of English majors coming into this field is considerable," Mr. Stolgitis said. "Previously, technical writers consisted mostly of engineers and scientists doing their own writing. Now we find more schools and colleges having technical writing programs."

Officials of the Document Design Center and Editorial Experts Inc. will not discuss what they charge for their work, but the savings they can generate by writing documents in plain English can be significant. The Southern California Gas Co., for instance, has estimated that its simplification of bill-

ing statements saves it \$252,000 a year by reducing customer inquiries.

The Document Design Center grew out of a 1978 project for the National Institute of Education, which was trying to find out why corporate and federal documents confused literate people.

The center concluded that the problems stemmed not only from the document's wording but also from the way it was designed.

The Document Design Center now makes up one-fifth of the American Institute for Research's work force of 250 employees and accounts for a similar share of its yearly \$15 million revenue.

A key tool used by the center to achieve its goal is consumer testing. In designing users' manuals for computers made by IBM and Hewlett-Packard, for instance, it brought several would-be users to its testing laboratory and watched them use the manual, page by page.

Similarly, for the Bell Telephone Co. of Pennsylvania, the center tested the company's customers to determine how best to redesign the phone company's customer bills.

Among other things, the Document Design Center changed the typeface on the bill from all capital letters to a mixture of upper and lower case letters and tried to give the bill more "white space," to make it easier to read.

Editorial Experts provides many kinds of editorial and production services, from a five-hour proofreading job to writing, editing and producing an entire report.

One of its biggest jobs was producing the five-volume appendix to the report by the commission on the space shuttle Challenger explosion. Among other things, a team of 13 writers and editors had to summarize more than 12,000 pages of testimony quickly.

Editorial Experts will next try to provide plain English for the U.S. Army. Last summer, the company won a three-year contract to help the army consolidate its regulations, cutting them by one-third and rewriting the remaining ones.



STEP TO SAFETY — Driven to a window ledge by a smoky apartment fire in Boston on Monday, one unidentified woman stepping down onto a rescue ladder while a second waits her turn. They were treated later for smoke inhalation. No serious injuries were reported.

U.S. Group Says Turkey Remains Lax on Rights

By Alan Cowell
New York Times Service

ATHENS — A U.S. group monitoring human rights abuses has accused Turkey of failing to eradicate what it calls "distressing and inexcusable" torture by the police.

The assessment, by Helsinki Watch, a private organization established to investigate compliance with the 1975 Helsinki accords on human rights, is significant because Turkey, a member of the North Atlantic Treaty Organization, is seeking greater Western acceptance and has applied to join the European Community.

Some European nations have argued that Ankara's human rights record creates an obstacle to EC membership. Turkey routinely denies that its security forces practice systematic torture, but has occasionally acknowledged abuses by individual officers.

Reflecting the view of some diplomats in Ankara, the Helsinki Watch report, published in New York on Dec. 1, says that "human rights in Turkey are still in a state of flux" following widespread violations during its last period of military rule, from 1980 to 1983.

"Although there have been some noteworthy improvements, mainly in the area of freedom of association," the report says, "the continued use of torture in police detention is both distressing and inexcusable given the Turkish authorities' claim that they have brought an end to the use of torture and that any incidents that come to light are either fabrications aimed

at influencing world opinion or are isolated cases of police brutality."

The report is based on interviews conducted in Turkey in June. The evidence "indicates that torture is still routinely practiced in Turkey, involving the same techniques in the same police stations as has been documented in the past," the report says.

Since the military formally withdrew from politics in 1983, Ankara has sought to revive democracy, dismantling rule by martial law in some areas and easing some restrictions imposed by the generals.

On Sept. 6, a referendum narrowly restored the political rights of those barred by the military from seeking office. On Nov. 29, Prime Minister Turgut Ozal was returned to office in the first election to be held under civilian supervision since the 1980 coup.

The election and referendum were depicted by Turkish officials as evidence of democratic renewal.

The report also notes that Ankara has permitted the foundation of a Human Rights Association, despite prohibitions on other civilian associations, and has eased press restrictions. It also has permitted citizens to petition the European Commission of Human Rights.

But, cataloging purported abuses, the 184-page report accuses Ankara of mistreating the large Kurdish minority in the southeast. It also says that the country's military-drafted constitution, which was approved by compulsory referendum in 1982, limits legal rights and freedom of thought.

Brazil Army Plane Crashes

United Press International

BRASILIA — A Hercules C-130 military plane with 29 persons aboard crashed into the Atlantic Ocean on Monday, and all aboard were believed killed. The Brazilian Air Force said Tuesday that the crash occurred near the island of Fernando de Noronha, 225 miles (365 kilometers) east of Brazil.



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Angolan Rebel Tells of Americans' Aid

By James Brooke
New York Times Service

LUANDA, Angola — A captured Angolan rebel has said that 10 armed and uniformed Ameri-

cans worked in a rebel-controlled section of Angola earlier this year coordinating U.S. arms deliveries from Zaire.

The rebel, Sebastiao Francisco Lameira, said that he was a supply officer in the U.S.-backed National Union for the Total Independence of Angola, or UNITA, until he was captured Nov. 12. Last week, he was interviewed in the presence of Angolan officials at a hospital here, where he is recovering from wounds.

U.S. officials have declined to say how American aid is delivered to UNITA, which is also armed by South Africa. The prisoner's account cannot be independently confirmed, but it appears to shed new light on a secret U.S. airlift from Kamina, Zaire, to rebel-controlled territory in Angola, where the rebels led by Jonas Savimbi are fighting to overthrow the Marxist government of Angola.

Mr. Lameira said that in April and May he worked in Luanda, a small town in the southwest corner of Angola, across the Cuando River from Zambia.

During that period, Hercules cargo planes regularly landed at night on a dirt landing strip, he said. "All the airplanes were piloted by Americans," the officer said.

On the ground, he said, a detachment of 10 Americans supervised

illumination of the strip, unloading of the cargo and air traffic control. The guerrilla, who does not speak English, said he communicated with the Americans through an interpreter because they did not speak Portuguese, the official language of Angola.

The cargo consisted of explosives, anti-aircraft missiles and anti-tank missiles, he said.

The Americans carried revolvers, he added, but the main security was provided by UNITA troops.

The captured guerrilla said he never talked with the American pilots. He said everyone knew that the flights came from Kamina, in Shaba Province in southeastern Zaire.

Earlier this year diplomats and businessmen in Zaire said that U.S. arms to UNITA were being shipped through a base at Kamina, which was built in the 1950s by Belgium, then the colonial power there.

The Reagan administration had planned to send at least \$15 million in military aid to the guerrillas this year; aid last year was worth about the same amount.

Mr. Lameira, 37, said that he had worked as a UNITA supply officer at Kamina in 1976 and 1977, when France was aiding the rebels.

Twice in the last year, he said, guerrilla friends traveled to Ka-

mina for training by Americans in intelligence and in the use of Stinger anti-aircraft missiles and anti-tank weapons.

President Mobutu Sese Seko of Zaire has said repeatedly that Kamina is not used to supply or to train Angolan guerrillas. But the prisoner's account undoubtedly will support a belief widely held by Angolan and Western diplomats here that U.S. aid to UNITA passes through Zaire.

Three incidents this year have aggravated Angolan suspicions.

The most irritating to Angolan officials came in May, when President Jose Eduardo dos Santos visited Maquela do Zombo, a northern town 20 miles (32 kilometers) by road from Zaire.

On May 12, only a few hours after the president left town, three UNITA columns attacked Maquela do Zombo. They reportedly encountered little resistance and remained there for most of the day.

In a similar border incident on Oct. 12, a rebel column attacked Cuimba, a northern Angolan town, also 20 miles by road from Zaire.

The third incident took place in Cuito Cuanavale in southeastern Angola. On Sept. 12, Angolan Army troops uncovered a guerrilla arms cache containing several night-vision boxes stenciled with the name of the Zaire river port of Matadi.

AMERICAN TOPICS

Nominee Testifies About Austria Post

Henry Anatole Grunwald testified last week before the Senate Foreign Relations Committee on his nomination to become the U.S. ambassador to Austria and on the State Department's decision to bar the Austrian president, Kurt Waldheim, from entry into the United States on grounds of being personally implicated in Nazi persecutions during World War II.

Mr. Grunwald said the decision on Mr. Waldheim "was inevitable under American law" and is "not subject to change." Now, he said, the best course "is not to perpetuate the discussion" but "to get on with the business of American-Austrian relations." This, he said, "is not at all the same as ignoring the Waldheim situation or sweeping it under the rug."

Mr. Grunwald, 65, the former editor in chief of Time Inc., was born in Vienna. He noted: "I left Austria as a teen-ager with my parents, fleeing Nazi persecution. Some of you may wonder whether this might cause me to be unduly emotional in my dealings with Austria, should I go there as ambassador. I would like to point out that throughout my professional career, I have been trained, as far as possible, to analyze people and situations dispassionately."

He went on to say that "but

for the grace of God, I could easily have been one of those millions who were doomed by the Holocaust. The civilized world can never forget those victims, and should I go to Austria, they will be very much on my mind. But it is also necessary to live and work in the present."

Short Takes

The Copley Plaza Hotel in Boston has withdrawn an order that its 44 chambermaids do without mops and use rags for "hand washing" bathroom floors, in effect telling them to work on their hands and knees. The maids, who work for \$7.15 an hour, had protested. Dominic Bozzotto, head of the local hotel workers' union, said he was glad that the hotel management "came to their senses. It was a dignity issue. They wanted to move the clock back 30 years. It reeked of arrogance."

Shorter Takes: At three intersections, New York City will test cameras that photograph the license plates of vehicles that run stoplights. Similar cameras are used in 40 countries but not in the United States. • Nearly half of the American adult public, 49 percent, now exercises or takes other steps on a daily basis to stay healthy, according to a Gallup Poll, reflecting a level of interest in fitness and health that

has held steady for the past decade.

New York's Mayor Edward I. Koch, a nominal Democrat who sent Jimmy Carter's 1980 campaign into fits by embracing Ronald Reagan, has done it again, endorsing Senator Bob Dole, a Kansas Republican. Mr. Koch says, "Dole has magnetism. I think he's the strongest candidate." The mayor said that "we won't win with one of those six" declared Democratic candidates. "I don't think they convey the leadership quality that people are looking for. They don't have the magnetism" of Governor Mario M. Cuomo of New York or Senator Bill Bradley of New Jersey. The mayor dismissed the Republican front runner, George Bush, as "sort of a Connecticut preppie."

The New York Times takes editorial note of the current taste for marathon productions, like "The Mahabharata," nine and a half hours, and "Nicholas Nickleby," eight and a half hours, on the stage; and Claude Lanzmann's "Shoah," nine and a half hours, and Abel Gance's "Napoleon," six hours, on the screen. "What seems new is that the marathon form draws predominantly younger crowds in an era of instant gratification. Even the Me Generation is finding, as the Romans said, that life is fleeting, art is long."

—ARTHUR HIGBEE

13 Fasting After Expulsion to Gabon

GENEVA — Thirteen opponents of Ayatollah Ruhollah Khomeini of Iran, expelled by France to Gabon a week ago, are on a hunger strike there and their situation is worsening, a spokesman for the United Nations High Commis-

sioner for Refugees said Tuesday. Roland-Pierre Paringaux said that a UN doctor who was in contact with the exiles — 12 Iranians and three Turks — said that some were not even taking liquids.

Mr. Paringaux said the commission had asked the French and other authorities to help reach a "humanitarian solution," particularly for one man and two women who needed special consideration for health and family reasons.

He said that the exiles had ignored appeals to stop their hunger strike while the commission sought to ease their situation. The French government round-

ed up 17 Khomeini opponents and flew them to Gabon on Dec. 8 because they were members of the Mujahidin Khalat, the main opposition force to Ayatollah Khomeini, which "threatened the peace" in France.

[Forty-two supporters and relatives of those expelled by France were in the eighth day Tuesday of a hunger strike outside the offices of the commission in the Paris suburb of Neuilly.]

[A spokesman said that nine of the strikers already had been briefly hospitalized and that their protest would continue until France rescinds the expulsions.]

الطريق

Tuesday's NYSE Closing							
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.							
12 Month	High	Low	Open	Close			
Stock	Div.	Yld.	PE	High	Low	Open	Close
(Continued)							
IBM	3.00	4.8	12.5	125.00	124.00	124.00	124.00
Microsoft	0.00	10.0	15.0	100.00	98.00	98.00	98.00
Apple	0.00	12.0	18.0	80.00	78.00	78.00	78.00
Oracle	0.00	15.0	20.0	60.00	58.00	58.00	58.00
Novell	0.00	18.0	22.0	50.00	48.00	48.00	48.00
Lotus	0.00	20.0	25.0	40.00	38.00	38.00	38.00
Intuit	0.00	22.0	28.0	30.00	28.00	28.00	28.00
Parsons	0.00	25.0	30.0	20.00	18.00	18.00	18.00
Sealed Air	0.00	28.0	32.0	15.00	14.00	14.00	14.00
3M	0.50	3.0	10.0	100.00	98.00	98.00	98.00
Boeing	1.00	4.0	12.0	120.00	118.00	118.00	118.00
McDonald's	0.25	5.0	15.0	80.00	78.00	78.00	78.00
Wendy's	0.10	6.0	18.0	60.00	58.00	58.00	58.00
Sonic Drive-Ins	0.05	7.0	20.0	50.00	48.00	48.00	48.00
Arby's	0.05	8.0	22.0	40.00	38.00	38.00	38.00
Jack-in-the-Box	0.05	9.0	24.0	30.00	28.00	28.00	28.00
Hardee's	0.05	10.0	26.0	20.00	18.00	18.00	18.00
Long John Silver's	0.05	11.0	28.0	15.00	14.00	14.00	14.00
Jack's	0.05	12.0	30.0	10.00	9.00	9.00	9.00
Harold's	0.05	13.0	32.0	8.00	7.00	7.00	7.00
McDonald's	0.05	14.0	34.0	6.00	5.00	5.00	5.00
Wendy's	0.05	15.0	36.0	4.00	3.00	3.00	3.00
Sonic Drive-Ins	0.05	16.0	38.0	2.00	1.00	1.00	1.00
Arby's	0.05	17.0	40.0	1.00	0.50	0.50	0.50
Jack-in-the-Box	0.05	18.0	42.0	0.50	0.25	0.25	0.25
Hardee's	0.05	19.0	44.0	0.25	0.10	0.10	0.10
Long John Silver's	0.05	20.0	46.0	0.10	0.05	0.05	0.05
Jack's	0.05	21.0	48.0	0.05	0.02	0.02	0.02
Harold's	0.05	22.0	50.0	0.02	0.01	0.01	0.01
McDonald's	0.05	23.0	52.0	0.01	0.00	0.00	0.00
Wendy's	0.05	24.0	54.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	25.0	56.0	0.00	0.00	0.00	0.00
Arby's	0.05	26.0	58.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	27.0	60.0	0.00	0.00	0.00	0.00
Hardee's	0.05	28.0	62.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	29.0	64.0	0.00	0.00	0.00	0.00
Jack's	0.05	30.0	66.0	0.00	0.00	0.00	0.00
Harold's	0.05	31.0	68.0	0.00	0.00	0.00	0.00
McDonald's	0.05	32.0	70.0	0.00	0.00	0.00	0.00
Wendy's	0.05	33.0	72.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	34.0	74.0	0.00	0.00	0.00	0.00
Arby's	0.05	35.0	76.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	36.0	78.0	0.00	0.00	0.00	0.00
Hardee's	0.05	37.0	80.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	38.0	82.0	0.00	0.00	0.00	0.00
Jack's	0.05	39.0	84.0	0.00	0.00	0.00	0.00
Harold's	0.05	40.0	86.0	0.00	0.00	0.00	0.00
McDonald's	0.05	41.0	88.0	0.00	0.00	0.00	0.00
Wendy's	0.05	42.0	90.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	43.0	92.0	0.00	0.00	0.00	0.00
Arby's	0.05	44.0	94.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	45.0	96.0	0.00	0.00	0.00	0.00
Hardee's	0.05	46.0	98.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	47.0	100.0	0.00	0.00	0.00	0.00
Jack's	0.05	48.0	102.0	0.00	0.00	0.00	0.00
Harold's	0.05	49.0	104.0	0.00	0.00	0.00	0.00
McDonald's	0.05	50.0	106.0	0.00	0.00	0.00	0.00
Wendy's	0.05	51.0	108.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	52.0	110.0	0.00	0.00	0.00	0.00
Arby's	0.05	53.0	112.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	54.0	114.0	0.00	0.00	0.00	0.00
Hardee's	0.05	55.0	116.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	56.0	118.0	0.00	0.00	0.00	0.00
Jack's	0.05	57.0	120.0	0.00	0.00	0.00	0.00
Harold's	0.05	58.0	122.0	0.00	0.00	0.00	0.00
McDonald's	0.05	59.0	124.0	0.00	0.00	0.00	0.00
Wendy's	0.05	60.0	126.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	61.0	128.0	0.00	0.00	0.00	0.00
Arby's	0.05	62.0	130.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	63.0	132.0	0.00	0.00	0.00	0.00
Hardee's	0.05	64.0	134.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	65.0	136.0	0.00	0.00	0.00	0.00
Jack's	0.05	66.0	138.0	0.00	0.00	0.00	0.00
Harold's	0.05	67.0	140.0	0.00	0.00	0.00	0.00
McDonald's	0.05	68.0	142.0	0.00	0.00	0.00	0.00
Wendy's	0.05	69.0	144.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	70.0	146.0	0.00	0.00	0.00	0.00
Arby's	0.05	71.0	148.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	72.0	150.0	0.00	0.00	0.00	0.00
Hardee's	0.05	73.0	152.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	74.0	154.0	0.00	0.00	0.00	0.00
Jack's	0.05	75.0	156.0	0.00	0.00	0.00	0.00
Harold's	0.05	76.0	158.0	0.00	0.00	0.00	0.00
McDonald's	0.05	77.0	160.0	0.00	0.00	0.00	0.00
Wendy's	0.05	78.0	162.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	79.0	164.0	0.00	0.00	0.00	0.00
Arby's	0.05	80.0	166.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	81.0	168.0	0.00	0.00	0.00	0.00
Hardee's	0.05	82.0	170.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	83.0	172.0	0.00	0.00	0.00	0.00
Jack's	0.05	84.0	174.0	0.00	0.00	0.00	0.00
Harold's	0.05	85.0	176.0	0.00	0.00	0.00	0.00
McDonald's	0.05	86.0	178.0	0.00	0.00	0.00	0.00
Wendy's	0.05	87.0	180.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	88.0	182.0	0.00	0.00	0.00	0.00
Arby's	0.05	89.0	184.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	90.0	186.0	0.00	0.00	0.00	0.00
Hardee's	0.05	91.0	188.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	92.0	190.0	0.00	0.00	0.00	0.00
Jack's	0.05	93.0	192.0	0.00	0.00	0.00	0.00
Harold's	0.05	94.0	194.0	0.00	0.00	0.00	0.00
McDonald's	0.05	95.0	196.0	0.00	0.00	0.00	0.00
Wendy's	0.05	96.0	198.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	97.0	200.0	0.00	0.00	0.00	0.00
Arby's	0.05	98.0	202.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	99.0	204.0	0.00	0.00	0.00	0.00
Hardee's	0.05	100.0	206.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	101.0	208.0	0.00	0.00	0.00	0.00
Jack's	0.05	102.0	210.0	0.00	0.00	0.00	0.00
Harold's	0.05	103.0	212.0	0.00	0.00	0.00	0.00
McDonald's	0.05	104.0	214.0	0.00	0.00	0.00	0.00
Wendy's	0.05	105.0	216.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	106.0	218.0	0.00	0.00	0.00	0.00
Arby's	0.05	107.0	220.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	108.0	222.0	0.00	0.00	0.00	0.00
Hardee's	0.05	109.0	224.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	110.0	226.0	0.00	0.00	0.00	0.00
Jack's	0.05	111.0	228.0	0.00	0.00	0.00	0.00
Harold's	0.05	112.0	230.0	0.00	0.00	0.00	0.00
McDonald's	0.05	113.0	232.0	0.00	0.00	0.00	0.00
Wendy's	0.05	114.0	234.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	115.0	236.0	0.00	0.00	0.00	0.00
Arby's	0.05	116.0	238.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	117.0	240.0	0.00	0.00	0.00	0.00
Hardee's	0.05	118.0	242.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	119.0	244.0	0.00	0.00	0.00	0.00
Jack's	0.05	120.0	246.0	0.00	0.00	0.00	0.00
Harold's	0.05	121.0	248.0	0.00	0.00	0.00	0.00
McDonald's	0.05	122.0	250.0	0.00	0.00	0.00	0.00
Wendy's	0.05	123.0	252.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	124.0	254.0	0.00	0.00	0.00	0.00
Arby's	0.05	125.0	256.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	126.0	258.0	0.00	0.00	0.00	0.00
Hardee's	0.05	127.0	260.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	128.0	262.0	0.00	0.00	0.00	0.00
Jack's	0.05	129.0	264.0	0.00	0.00	0.00	0.00
Harold's	0.05	130.0	266.0	0.00	0.00	0.00	0.00
McDonald's	0.05	131.0	268.0	0.00	0.00	0.00	0.00
Wendy's	0.05	132.0	270.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	133.0	272.0	0.00	0.00	0.00	0.00
Arby's	0.05	134.0	274.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	135.0	276.0	0.00	0.00	0.00	0.00
Hardee's	0.05	136.0	278.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	137.0	280.0	0.00	0.00	0.00	0.00
Jack's	0.05	138.0	282.0	0.00	0.00	0.00	0.00
Harold's	0.05	139.0	284.0	0.00	0.00	0.00	0.00
McDonald's	0.05	140.0	286.0	0.00	0.00	0.00	0.00
Wendy's	0.05	141.0	288.0	0.00	0.00	0.00	0.00
Sonic Drive-Ins	0.05	142.0	290.0	0.00	0.00	0.00	0.00
Arby's	0.05	143.0	292.0	0.00	0.00	0.00	0.00
Jack-in-the-Box	0.05	144.0	294.0	0.00	0.00	0.00	0.00
Hardee's	0.05	145.0	296.0	0.00	0.00	0.00	0.00
Long John Silver's	0.05	146.0	298.0	0.00	0.00	0.00	0.00
Jack's	0.05	147.0	300.0	0.00	0.00	0.00	0.00
Harold's	0.05	148.0	302.0	0.00	0.00	0.00	0.00
McDonald's	0.05	149.0	304.0	0.00	0.00	0.00	0.00
Wendy's	0.05	150.0					

MADISON AVENUE WPP of Britain Acquires Hispanic Advertiser in U.S.

LONDON — WPP Group PLC, the British marketing company, said Tuesday it was buying Mendoza Dillon & Asociados Inc. of California, described as the largest company in the United States specializing in advertising aimed at the Hispanic community. A profit-related sum of up to \$25.5 million in cash and stock will be paid up to the end of 1992, after an initial payment of \$10 million in cash.

The deal follows WPP's purchase of the American advertising agency JWT Group Inc. in July, which put WPP among the largest marketing services companies in the world. WPP said it was buying MDA as part of a drive to provide a more comprehensive service for its clients. It said that the Hispanic advertising market in the United States had grown at an average rate of more than 20 percent annually over the past five years, and was worth \$398 million in 1986.

The Hispanic population of the United States numbers about 18.8 million, or about 8 percent of the total population. That number is expected to climb sharply in the decade to come.

MDA's billings rose to \$38.1 million in 1987 from \$10.7 million in 1982. Adjusted pretax profit rose to about \$1.26 million in 1986 from \$256,000 in 1982. WPP said the payment for MDA would be based on a multiple of 10 times the average net profit of the company for the three years ending December 1991.

The Hispanic ad market in the United States has been growing by more than 20 percent a year.

Microsoft Corp., a computer software creator in Redmond, Washington, recently received a letter from an ad agency that purportedly offered its services on the ground that a couple of its creative people had worked for a Microsoft competitor and were willing to share its secrets.

Microsoft alerted the competitor, Lotus Development Corp. of Cambridge, Massachusetts, which went to court seeking an injunction and unspecified damages.

Greg Irbee, head of communications for Lotus, said his company had filed suit in Boston against Rossin Greenberg Seronick & Hill of Cambridge, Massachusetts. Mr. Irbee said Rossin Greenberg had hired an art director and copywriter who had worked on Lotus business at Leonard Monahan Saaybe in Providence, Rhode Island.

Neal Hill, president of Rossin Greenberg, said his agency not only did not offer any "trade secrets," but did not believe it had any. He said he had mentioned in the past that he had employees who previously worked on Lotus ads, but denied that his agency would offer to share other companies' secrets.

There is nothing unusual about agency people working for a competitor of a former client. With the way they job hop it happens all the time. The brochures that agencies prepare for business solicitations frequently list the names of all the advertisers for which employees formerly have worked.

Tom Lawson, a former Harvard halfback, has become chief executive of Laurence, Charles, Free & Lawson, a relatively small agency that often plays against the big ones.

The move marks a change in the management of the company as it moves from the reign of Charles Goldschmidt, who with Daniel Karsh, founded the agency as Daniel & Charles in 1952, to a more collegial atmosphere mandated by the agency's growth to some \$297 million in billings.

Mr. Goldschmidt, 66, will continue as chairman of the executive committee. Mr. Lawson, 50, will retain the title of president. In September, the ownership of the agency went from Mickelberry Corp. in New York to Lowe Howard-Spink & Bell PLC, a publicly held British company that also has a 70 percent equity holding in Lowe Marschall, of the Interpublic Group. Lowe has offices in 10 countries, including Canada and Australia.

U.S. Bank Writes Off Bad Loans \$200 Million In Latin Debt

By Eric N. Berg
New York Times Service

NEW YORK — Bank of Boston Corp., the 13th-largest U.S. bank holding company, has become the first major American bank to acknowledge that a significant portion of its Latin American loans is worthless.

Bank of Boston said it was writing off \$200 million of its \$1 billion in loans to Latin America. That means the bank will remove these loans from its balance sheet, having deemed them uncollectible.

The announcement sent stock prices of other major U.S. bank holding companies sharply lower. Tuesday, Chase Manhattan Corp. fell \$2.125 a share to close at \$20.25 on the New York Stock Exchange. Citicorp was off 75 cents, to \$16.75; Manufacturers Hanover was down \$2.50, to \$24.125; and Chemical New York Corp. was off \$3, to \$21. Bank of Boston was up 50 cents, to \$20.75.

The decision late Monday could lead to pressure for similar steps by other global banking companies, which already are grappling with mounting problems from energy, real estate and agricultural loans.

The bank, which has more than \$30 billion in assets, also said it was establishing a \$430 million reserve for losses on its remaining \$800 million in Latin loans. And, in a move that seemed almost anticlimactic, the bank said it would no longer record any interest on those \$800 million in Latin loans.

Like other major lenders, Bank of Boston established reserves last spring for its Latin loans equal to 25 percent of such loans. But its latest actions set it apart from the rest of the industry. In addition to actually writing off loans, it built reserves for losses on its remaining Latin portfolio equal to more than 50 percent of its exposure there.

Bank accounting for bad loans is a two-step process. A bank starts by estimating future losses and setting aside reserves for those losses.

See BOSTON, Page 13

As Boesky Sings, Evidence Trebles

Prosecutors Find 'Rampant' Crime On Wall Street

By Michael A. Hiltzik
Los Angeles Times Service

NEW YORK — In perhaps the harshest governmental description of Wall Street conduct in recent memory, federal prosecutors have said that the stock speculator Ivan F. Boesky's "unprecedented" cooperation has provided evidence of "rampant criminal conduct" in the U.S. securities industry.

"Not since the hearings and passing of the 1933 and 1934 securities laws has the government learned so much at one time about securities law violations," the office of U.S. Attorney Rudolph Giuliani wrote in a memorandum to U.S. District Judge Morris E. Lasker, who is scheduled to sentence Mr. Boesky on Friday.

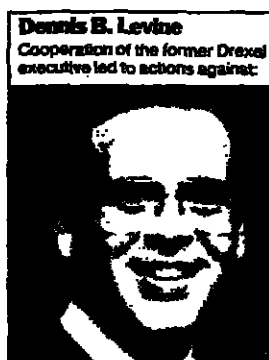
In all, the prosecutors said, Mr. Boesky directly and indirectly "revealed that criminal conduct is at the heart of a substantial amount of market activity by established securities industry professionals."

The memorandum was released Monday with about 40 percent of its text blanked out, apparently to protect the confidentiality of continuing investigations.

Mr. Boesky, who pleaded guilty to a single felony count of conspiring to make false statements to the Securities and Exchange Commission, faces a jail term of up to five years. Last year he admitted to civil charges of insider trading and agreed to pay \$100 million in fines and penalties to the commission.

Judge Lasker has indicated that he will sentence Mr. Boesky to at least six months in jail. A former investment banker, Dennis B. Levine, a Boesky associate, was sentenced earlier this year to two years in jail. Unlike Mr. Boesky, however, Mr. Levine refused to cooperate with prosecutors until after he was arrested on insider trading charges.

The prosecutors made no specific sentencing recommendation. They asked Judge Lasker to consider not only Mr. Boesky's



Dennis B. Levine
Cooperation of the former Drexel executive led to actions against:

Untangling the Web They Wove
With the cooperation of first Dennis B. Levine, then Ivan F. Boesky and Martin A. Siegel — each of whom has paid a high price for admitted insider trading — investigators have been led to an array of other investment bankers, traders and lawyers with admitted or alleged roles in trading schemes.

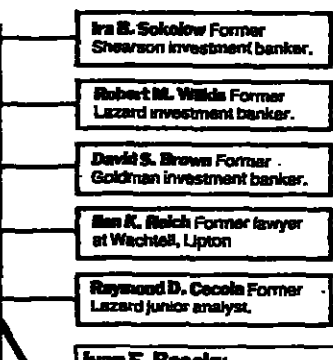


Michael Davidoff Former head trader at Boesky firm.



Martin A. Siegel
Cooperation of the former Kidder executive led to arrests of:

Robert M. Freeman Partner, head of arbitrage at Goldman.
Richard B. Winton Kidder, Peabody was president.
Timothy L. Tabor Former Kidder vice president.



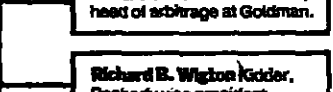
Ira B. Sokolow Former Shearson investment banker.



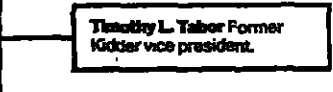
Robert M. Winton Kidder, Peabody was president.



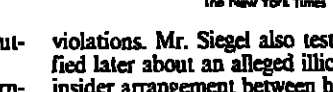
David S. Brown Former Goldman investment banker.



Ben R. Block Former lawyer at Wechsler, Lipson.



Raymond D. Coccia Former Lazard junior analyst.



Ivan F. Boesky
Cooperation of the arbitrator led to actions against:

Robert M. Freeman Partner, head of arbitrage at Goldman.
Richard B. Winton Kidder, Peabody was president.
Timothy L. Tabor Former Kidder vice president.

Mr. Siegel also testified later about an alleged illicit insider arrangement between his associates at Kidder, Peabody & Co. and his opposite numbers at Goldman, Sachs & Co.

Mr. Boesky also has assisted the British authorities in their case against executives and investment bankers who allegedly helped the brewer Guinness PLC take over Distillers Co. That case involves charges of insider trading, obstruction of justice and other wrongdoing. Among those charged in that case are the former Guinness chairman, Ernest Saunders, and Gerald M. Ronson, a London businessman.

Mr. Jefferies and Mr. Siegel pleaded guilty to securities law

Oil Prices Fall Amid Discontent Over OPEC Pact

Compiled by Our Staff From Dispatches

NEW YORK — Crude oil prices fell sharply Tuesday amid dissatisfaction with OPEC's new production and price accord, and traders predicted further declines in prices.

The U.S. benchmark crude, West Texas Intermediate, for January delivery dropped 81 cents to \$16.63 a barrel, the lowest spot price since early March. It had dropped 87 cents on Monday.

"It was a landslide fall generated by OPEC's failure to do something constructive about overproduction," said Madison Galbraith, a broker at Merrill Lynch Futures Inc.

On the European spot market, where oil is sold to the highest bidder, Britain's North Sea Brent crude closed at \$16.15 a barrel, down 60 cents on the day.

In an accord announced last Monday after five days of talks, 12 members of the Organization of Petroleum Exporting Countries, said they would roll over their current agreement into the first six months of next year, leaving the reference price at \$18 a barrel.

OPEC agreed that the production ceiling should be 15.06 million barrels a day, the old ceiling minus Iraq's 1.54 million barrels.

Iraq refused to sign the accord because it was refused parity with the quota of 2.37 million barrels a day assigned to its Gulf War enemy, Iran.

Traders said the pact does not address overproduction and discounting from official prices.

As a result, prices will fall to about \$15 a barrel or lower early next year, many analysts predicted.

"Traders are disappointed that OPEC did not address the very serious issue of overproduction," said Peter Beutel, analyst at Elders Futures Inc. in New York. "The agreement merely maintains the status quo with a new name."

He said that worldwide oil stockpiles were very high. Consuming nations might use those supplies rather than buying more oil, "which would mean even greater price pressure as OPEC barrels try to find a home," he said.

Spot markets will come under particular pressure early next year when oil companies' purchases fall to seasonal lows, analysts said.

They said that inventories could be drawn down by as much as 2.5 million barrels a day in the first quarter, with demand for oil from OPEC and other producers reduced by the same amount.

Iran's deputy oil minister, Hossein Khatamzadeh, said after the conference that an extraordinary conference would be called "if the price falls to a level that can be called significant."

But analysts said it was difficult to predict what new measures OPEC could take.

The likelihood that Gulf states, including Saudi Arabia, will agree to cut output is slim, they said.

In New York, analysts said that U.S. oil production may decline as much as 300,000 barrels a day from 8.26 million and that foreign oil imports could grow by at least that much if U.S. spot crude prices fall to \$15 or \$16.50 a barrel during the first quarter. (Reuters, AP)

Fed Reports Rise In Capacity Use

WASHINGTON — U.S. factories, mines and utilities ran at 81.7 percent of their capacity in November, the highest level since August 1984, the Federal Reserve Board said Tuesday.

At the same time, it said that October's rate had been revised to 81.5 percent from the previously reported 81.3 percent. The November rate thus represented a gain of 0.2 percentage point from October, and U.S. industry is now above its average capacity utilization rate for 1987 through 1986.

Use of manufacturing capacity rose to 82 percent in November from 81.8 percent a month earlier. The gain was due mostly to the metals and machinery industries.

Currency Rates

Currency	Per \$	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100
Amsterdam	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Bombay (S)	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
London (S)	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Paris	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
New York (C)	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Tokyo	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Zurich	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
1 SDR	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822

Closest in London, Tokyo and Zurich, italics in other centers. New York closing rates.
a: Commercial franc; b: To buy one pound; c: To buy one dollar; d: Units of 100; N.D.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per \$	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100	Per 100
Argentine austral	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Australian dollar	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Belgian franc	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Canadian dollar	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Chinese yuan	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
French franc	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
German mark	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Italian lira	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Japanese yen	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
South African rand	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Swedish krona	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Swiss franc	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
U.S. dollar	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822

New York rates unless marked * (local rates).

Forward Rates

Currency	30-day	60-day	90-day	120-day	150-day	180-day	210-day	240-day	270-day
British sterling	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Japanese yen	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822
Deutsche mark	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822	1.822

Sources: Interbank Bank (Bloomberg); Banca Commerciale Italiana (Milan); Banque Paribas (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAI (dollar, yen, dollar); Goshawk (Japan). Other data from Reuters and AP.

Interest Rates

Instrument	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
1-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%
3-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%
6-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%
9-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%
12-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%

Sources: Morgan Guaranty (dollar); D.M. & P. (pound); F.P. (franc); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of \$1 million minimum (for eurodollar).

Key Money Rates

Instrument	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
Call money	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
3-month Treasury bill	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
3-month Treasury note	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
3-month Treasury bond	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%

Sources: Reuters, Bank of Tokyo, Commercial Credit (London).

Asian Dollar Deposits

Instrument	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
1-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%
3-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%
6-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%
9-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%
12-month	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%	8 1/4%

Sources: Reuters, Bank of Tokyo, Commercial Credit (London).

U.S. Money Market Funds

Instrument	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
Call money	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
3-month Treasury bill	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
3-month Treasury note	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%
3-month Treasury bond	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%	3 1/4%

Sources: Reuters, Bank of Tokyo, Commercial Credit (London).

Gold

Instrument	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
1-ounce	424.50	424.50	424.50	424.50	424.50	424.50	424.50	424.50	424.50
10-ounce	424.50	424.50	424.50	424.50	424.50	424.50	424.50	424.50	424.50
100-ounce	424.50	424.50	424.50	424.50	424.50	424.50	424.50	424.50	424.50
1,000-ounce	424.50	424.50	424.50	424.50	424.50	424.50	424.50	424.50	424.50

Sources: Reuters, Bank of Tokyo, Commercial Credit (London).

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BUSINESS ROUNDUP

Nokia to Buy SEL's Electronics Unit

By Juris Kaza
International Herald Tribune

STOCKHOLM — Oy Nokia AB, the Finnish electronics, industrial and forestry group, said Tuesday it would acquire the consumer electronics business and parts of the components business of Standard Elektrik Lorenz AG of West Germany.

Nokia said the acquisition, effective Jan. 1, would make it the third-largest manufacturer of color televisions in Western Europe and the ninth-largest manufacturer in the world.

Kari Kairamo, Nokia's chairman, said the purchase would help the company compete against Japanese manufacturers.

The Finnish group declined to disclose the price paid for the SEL unit. The divisions have annual sales of 1.6 billion Deutsche marks (\$985 million), but are said by SEL to be unprofitable.

Analysts estimated, however, that the acquisition could cost Nokia up to 1 billion markkaa (\$249 million).

With a total market share of 14 percent in Western Europe, Nokia will rank just behind Philips NV of the Netherlands and Thomson SA of France.

SEL is a unit of Alcatel NV of France, which is jointly owned by Compagnie Generale d'Electricite of France and ITT Corp. of the United States.

The acquisition will more than double Nokia's production capacity for televisions from just over 1 million to 2.5 million sets, the company said.

It will increase the contribution of electronics, including mobile telephony, information systems and telecommunications, to between 60 and 70 percent of Nokia's group revenue in 1988, the company said.

It is estimated that electronics-related sales would total 6.7 billion markkaa, or 50 percent of total sales, in 1987.

Timo Koski, a director of Nokia who recently headed its electronics division, said the SEL acquisition would give Nokia a share in "growth markets" such as Italy and Spain and access to marketing channels within the European Community.

Mr. Koski pointed out that SEL also made cathode tubes at a plant in Esslingen, West Germany. Previously dependent entirely on outside suppliers, including SEL, Nokia would now be able to make its own tubes, he said.

Mr. Koski said that by the 1990s, many television sets would function as entertainment centers, communications terminals, and monitors for personal computers.

"That's where we can combine our know-how in information systems and telecommunications," he said.

Timo Nikinmaa, an analyst with

Unitas, the securities trading subsidiary of Union Bank of Finland in Helsinki, said the benefits for Nokia would be to gain a foothold in the EC and a "big-league" production capacity.

Mr. Nikinmaa said, "I'm not sure how soon Nokia will show increased profits, but in the long run, this means increased profitability."

Brian Knox, a senior specialist in Nordic securities with Kleinwort, Greaveson Ltd. in London, said that the acquisition probably would depress Nokia's earnings in the short to medium term.

In the long term, Mr. Knox said that Nokia would gain market share ahead of new developments that will reduce the wide variety of standards on the European television market.

"These new standards mean there will be more components in common — in other words, a step closer to one world market for televisions," he said. "Therefore, it becomes more important to be big."

While Mr. Knox said that the SEL acquisition was a typical Finnish deal, the python swallowing the goat, he compared Nokia's policies to those of Electrolux AB of Sweden.

The Swedish firm has become one of the world's largest manufacturers of household appliances by acquiring mature market shares in many countries and making production more efficient.

Merrill Lynch Plans to Cut Salary Costs by \$200 Million

New York Times Service

NEW YORK — Merrill Lynch & Co. has announced a \$200 million cut in overall salary costs, including a reduction in wage scales for its retail brokerage force, the biggest and best-paid in the securities industry.

The move Monday by the nation's largest securities house is significant not only because of the breadth of the cuts, but because the firm is the largest in the securities industry. Since the collapse of the stock market on Oct. 19, firms such as Salomon Inc. and Kidder, Peabody have announced layoffs and wage cuts. Similar cost-cutting moves are expected at other brokerage houses.

Merrill Lynch will achieve a 10 percent reduction in the wage costs, which are estimated to total about \$3.7 billion this year, through salary cuts, a reduction in 1988 bonuses, a six-month wage freeze and selective layoffs.

One of the major components of the package was a 6 percent cut in brokers' compensations that is expected to save the firm about \$65 million a year. Currently, the average compensation among the firm's retail brokers is \$110,000, which compares with an industry average of \$94,000.

Ford Is Considering Joint Venture in Soviet

Compiled by Our Staff From Dispatches

WASHINGTON — Ford Motor Co. has said it is considering a proposal for a joint venture in the Soviet Union covering a "large range of possibilities," including the manufacture of small cars.

Harold A. Poling, vice chairman of the No. 2 U.S. automaker, said Monday in an interview with The Associated Press that Soviet officials approached Ford four weeks ago and outlined a variety of plans, from producing components to the full assembly of vehicles.

Ford also makes tractors, which in addition to small cars might interest the Soviet Union, Mr. Poling said.

The Detroit News later quoted Mr. Poling as saying that the Russians voiced interest in vehicles ranging from Ford's Escort subcompact car to the mid-size Taurus and the full-size Crown Victoria.

Reuters reported. He also said that Soviet officials mentioned pickup trucks for family use and the Aerostar minivan.

A Soviet law that took effect in January allows foreign companies to hold up to 49 percent of joint ventures based in the Soviet Union.

Combustion Engineering Inc. of Stamford, Connecticut, last month became the first U.S. company to sign such an agreement.

The Ford executive declined to say how likely such a joint venture would be. He said the company would weigh both the business risks and political risks in making a decision, with political factors weighing heavily.

"There are great political risks involved with trade with the Soviet Union," he said. He cited the possibility of a new U.S. boycott of activities with the Soviet Union, such as the U.S. protest that fol-

lowed the Soviet invasion of Afghanistan.

In the late 1960s, Ford seriously considered an automaking venture in the Soviet Union. Mr. Poling said the deal did not go through because the Soviet Union wanted the automaker to put up hard currency for the plant, but accept payment in the final product, rather than cash.

Ford now has no enterprise in the Soviet Union or in any East European country allied to the Soviet Union, said Al Chambers, a Ford spokesman in Dearborn, Michigan.

However, Ford has a large presence in Western Europe, where it ranks as one of the top five automakers, and its European plants would make it easier for the company to enter into a Soviet venture, Mr. Chambers said.

(AP, Reuters)

Guinness Peat's Pretax Profit Rises 28%

Reuters

LONDON — Guinness Peat Group PLC reported Tuesday that pretax profit rose 28.3 percent to £23.1 million (\$42 million) in the year ended Sept. 30, despite an exceptional provision of £7 million for the effects of the October stock market collapse.

The company, which posted pretax earnings of £18 million for the previous annual period, also announced a £23.8 million extraordinary charge, taken after tax.

This charge covered the closing of the Singapore office of its merchant banking subsidiary Guinness Mahon & Co., the sale of a British trading subsidiary and the costs of unsuccessfully defending itself against a bid by Equicorp Holdings Ltd.

Equicorp, a financial services company based in New Zealand, acquired Guinness Peat in October. With pretax profits at £30.1 million excluding the special provision, the 1986-87 results were in line with market expectations, analysts said.

In the previous annual period, the company's pretax profit was £21.5 million.

Guinness Peat shares were quoted at 84 pence in late trading on the London Stock Exchange, 1 pence lower than Monday.

The company said the £7 million was set aside because of the effects of the stock market collapse on its equity market-making business.

In the previous year, it took an exceptional provision of £3.5 million.

The managing director, Michael Kerr-Dineen, said the group's strong profit performance in the year just completed gave a good indication of future potential.

Mr. Kerr-Dineen said that Guinness Peat has been reviewing all of its operations, with the backing of Equicorp.

As a result, it is halting its U.S. property development activities, which will result in a £16.5 million extraordinary provision in the current year to cover foreseeable losses and running costs.

Guinness Peat said the provision was highly conservative and would insulate group profit against any further problems.

A £44 million surplus resulting from a revision of its 21.4 percent stake in GPA Group Ltd., an aviation financial services company, will more than offset the impact of provisions on shareholders' funds. The surplus was disclosed with the company's recent rights issue.

For investors with an international outlook, Bank Julius Baer — one of Switzerland's most prestigious private banks — publishes a quarterly review entitled "The International Investor."

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U.S. ELECTIONS '88: WHAT INTERNATIONAL INVESTORS SHOULD KNOW NOW.

An important question confronting multimarket investors is who will win the U.S. presidential race to the White House. Which economic developments over the longer term will determine the candidate of the two major parties?

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Our current issue examines the positions of the main presidential contenders and the influence their policies would have on the U.S. and world economies after the '88 election.

To receive your complimentary copy of this highly informative issue of "The International Investor," please contact:

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BOSTON: U.S. Bank Writes Off \$200 Million in Loans to Latin America

(Continued from first finance page)

This "provision" reduces a bank's profits and shareholders' equity. Later, when the bank actually writes off the loan, it simultaneously lowers the reserve; at that time, the reserve is no longer needed because the loans have gone off the books. Since the bank has already accounted in its profits statement for bad loans, write-offs have no additional effect on earnings.

The loan-loss provision, however, would result in a quarterly loss of \$50 million to \$60 million, according to some estimates, although the bank probably would show a small profit for all of 1987. Standard & Poor's Corp., citing the provision, said Tuesday it might downgrade \$1.5 billion of Bank of Boston debt.

Although Bank of Boston's loans to the developing world pale in comparison with those of New York-based bank holding companies — Citicorp's loans to the region exceed \$10 billion, for in-

stance — bankers watch one another's moves closely. They are pressed by regulators, shareholders and auditors to account for similar loans in like fashion.

Thus, when a big lender such as Bank of Boston declares a major portion of its loans uncollectible, other similarly situated banks often follow suit. Last spring, when Citicorp did not actually write off its Latin loans but instead set aside \$3 billion for losses on them, banks nationwide followed suit in a matter of days.

"They will certainly have to pay attention," said George M. Salem, the director of bank research at Prudential-Bache Securities.

Bank of Boston said it had consulted with the U.S. Comptroller of the Currency before acting.

Whether the true giants of American banking — Citicorp, Chase Manhattan Corp., BankAmerica Corp., Manufacturers Hanover Corp. and the rest — will follow the move is uncertain.

For one thing, while Bank of Boston has lent to Latin America for much of the 20th century, acting as a leading bank for leather tanners and sheep farmers in Argentina since 1917 and for coffee growers in Brazil since 1947, the bank recently has been focusing on its headquarters region of New England.

It has said it wants to de-emphasize its international operations, while the New York and other money-center banks have said they remain committed to the developing world.

Additionally, thanks to a thriving New England economy, Bank of Boston has been one of the nation's most profitable banks and thus could afford to take the action it did. Profits at the big banks in New York, Chicago, Los Angeles and San Francisco, by comparison, have been mediocre at best.

The New York banks in particular have seen their shareholders' equity, a cushion against losses, de-

pleted to unsatisfactorily low levels by loan losses. Thus, they are not in a position to do the same thing as Bank of Boston.

In a telephone interview from Boston, Alan L. McKinnon, Bank of Boston's chief financial officer, said the bank acted after concluding that the situation in Latin America was getting worse.

Mr. McKinnon cited trends in the financial markets, where Latin American loans are traded and prices have fallen recently to as low as 40 cents on the dollar.

He also cited reports that Argentina might declare a moratorium on its foreign debt, and a recent meeting in Acapulco, Mexico, of Latin American heads of state in which officials called for a lowering of interest rates on the debt.

"There is just a general perception, among analysts and others, that perhaps the less developed country loans are more and more questionable," Mr. McKinnon said.

Icahn Says He Does Not Seek Control or a Seat at Texaco

Reuters

NEW YORK — Carl Icahn, who controls 12.3 percent of Texaco stock, has told a Texaco shareholders' committee that he is not trying to win control of Texaco or a seat on its board, a representative of Mr. Icahn said Tuesday.

In a letter to Robert Norris, chairman of the equity committee in Texaco's bankruptcy proceedings, the investor also said he did not support the committee's settlement plan, which it approved Monday with Texaco's creditors and Pennzoil Co.

The settlement, "especially as it concerns the composition of the Texaco board, will have the effect of pushing Texaco off a hot tin roof into a raging fire," the letter said.

The proposed \$3 billion settlement package would increase the number of Texaco board members to 26, with 12 new members.

A bankruptcy court has given the Texaco creditors and equity committees and Pennzoil the chance to settle the \$10.3 billion dispute between the two companies by submitting a plan without the consent of Texaco's management.

The legal struggle began in 1984, when Pennzoil sued Texaco for depleting its planned merger with Getty Oil Co. In 1985, a Houston jury ordered Texaco to pay Pennzoil the \$10.3 billion.

Opportunity Curve
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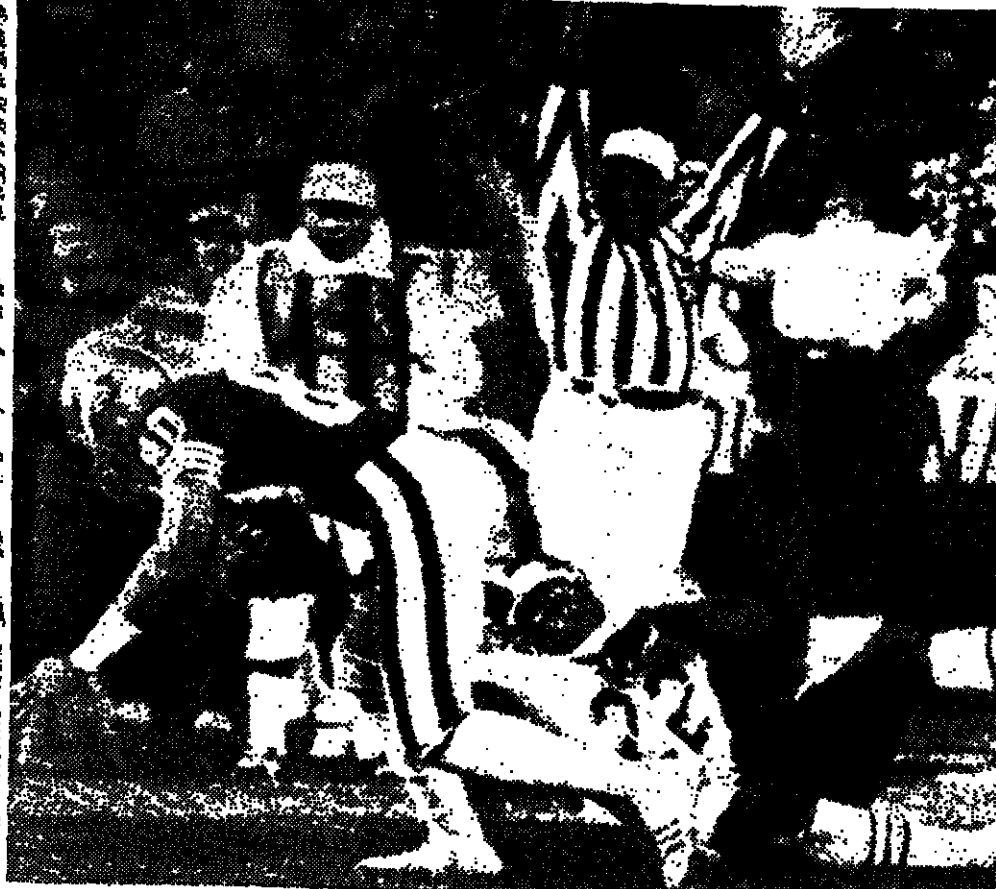
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أحمد بن محمد

SPORTS

Italy in Front Line of Soccer's Powder-Keg Brigade



International Herald Tribune

LONDON — The photograph below should haunt us all.

If we are to preserve soccer as a spectator sport worth handing down to our children — and if we intend telling them we were a civilized, sane, controlled generation — we cannot turn the other cheek to what befell goalkeeper Franco Tancredi in Milan's San Siro stadium on Sunday.

Tancredi came perilously close to death. You see him being rushed out of an arena that two and a half years from now will be a focus for billions viewing the World Cup.

Tancredi was knocked senseless by a firecracker thrown from behind his goal while he was doing what he has done all his adult life, guarding first-division Roma's net.

Two cherry bombs, in fact, landed almost simultaneously on either side of Tancredi as the second half resumed. One exploded in his face, leaving him unconscious for 45 minutes.

His heart stopped beating for 20 seconds until medical assistance arrived. Tancredi's legs were temporarily paralyzed but, though concerned about his hearing, he expects to resume training next week.

"I feel offended as a human being and as an athlete," he says. But he will continue because of "my love for the sport and belief in a future without violence for soccer."

Other reasons are that, a month short of his 33rd birthday, Tancredi remains one of the best and most experienced goalies in Italy. Articulate though he is, he probably knows no other way of life (not that

he has to look for one for years, given his star-performer's salary).

He does not feign forgiveness. The idiot who admits having thrown the firecracker telephoned the hospital — after his arrest — to explain that he never intended to hurt anyone, only to create confusion.

"That may be so," commented Tancredi almost before his cerebral confusion cleared. "But people's lives are at risk — they [the hooligans] are not just throwing fireworks in celebration."

Damned right they're not, and Tancredi's right to use the plural. This is the second time he has been struck by firecrackers and the third time this season that Italian players have been hurt by them.

The Milan culprit is Luigi Sacchi, a 23-year-old unemployed builder. Alarmingly, Sacchi was barred from San Siro only last month after a brawl that broke a policeman's leg.

Barred or not, he obtained a ticket to Sunday's match from a friend, bought a 176 firecracker and used it as an illegal firearm that carries a four-year jail sentence.

He is not in custody pending trial. Just as ominous, he admits to only one of the firecrackers that detonated around Tancredi, so another flamethrower may be at large.

Italy's football federation and its interior minister are headed for emergency session, but surely they need international aid.

It never was enough to ban English clubs from Europe after the Heysel Stadium atrocity — or to assume those still awaiting trial are perpetrators of only an "English disease."

Instead of acting collectively, Europeans founded like self-centered individuals, all with different laws, different shock-horror responses, different fingers of suspicion pointing ever elsewhere.

Hooliganism respects no barrier. Last month, Real Madrid's Mexican hotshot, Hugo Sanchez, needed 11 stitches in his head after being hit by a bottle during a Spanish Cup match at Sexto.

The culprit escaped. Some Spaniards laughed that Real Madrid, Franco Tancredi, carried from the field Sunday in Milan: "People's lives are at risk..."

which has a notorious set of fans, got a taste of its own medicine.

In the Netherlands, after a homemade bomb stunned a Cypriot goalkeeper, the thrower was charged with attempted homicide. UEFA acted tough but backed down.

Rob Hughes

down, allowing the Dutch to reply behind closed doors and qualify easily for next summer's European championship finals.

In contrast, Italy's soccer federation will deprive AC Milan of Sunday's 1-0 victory and award the game to Roma. Two previous home teams, Pisa and Juventus, have recently been stripped of points following crowd violence.

This automatic response is backfiring and disfiguring the Italian championship season. League leader Napoli was awarded two points after losing to Pisa — and Napoli benefits indirectly from two points deducted against rivals Juventus and now, probably, Milan.

It takes one thing, one weapon, to rearrange Italy's championship. What is to stop some crackpot, from Naples or anywhere else,

from infiltrating rival stadiums and perpetuating the miscarriage of justice?

To beat them, society has to be at least as clever as its thugs. We English have stadiums built like fortresses — fans behind bars and closed-circuit video. Dreadful. But Italy might have to erect high screens behind the goals, and then hope no scheming criminal fires a rocket cross-field, as happened some months ago in a match in Greece.

I know no single antidote, but aren't you astonished that those whose grim duty it is to save the game are not all pulling in the same direction?

We share the planet, for heaven's sake. We share, though many would still like to call it England's disease, the bloody violence. Why can't we pool our experiences, our accrued "wisdom" or at least our brainpower to outwit what soccer rulers unanimously assert is a tiny criminal minority?

For what it's worth, in half the time it is taking to determine guilt and punishment for the Heysel deaths, English justice has pro-

nounced sentence on fans of Manchester United and West Ham who smashed up a North Sea ferry before the start of last season.

Judge Brian Walling ruled that their viciousness "could have caused a worse disaster than the Titanic." He jailed eight ringleaders for between four and eight years each. They will not be free, for a long time, to threaten to maim or kill each other, let alone sportsmen.

Italy feels it can allow pretrial liberty for an apparently twice-caught maniac. After Sunday's match police fired tear gas to disperse 200 rioters in the streets outside San Siro.

Unless we learn a common language of detection and deterrence, Albania might be a last resort.

Asked if he fears crowd problems when England visits Tirana for next year's World Cup qualifying match, Skender Begaj of the Albanian football association replied: "I do not think English supporters will be allowed into Albania... But I'm sure they wouldn't be any problem."

Rob Hughes is on the staff of the Sunday Times.

Rice Ties Two NFL Marks as 49ers Trample Bears, 41-0

Receiver Jerry Rice, above dragging safety Dave Duerson into the end zone for a first-period touchdown, tied two National Football League records as the 49ers thrashed the Chicago Bears, 41-0, Monday night in San Francisco. Rice's 11th consecutive game with a scoring catch tied the mark held by Elroy Hirsch and Buddy Dial, and his three TD receptions gave him 18 for the year, tying him with Miami's Mark Clayton for the most in a single season. All of Rice's scores Monday were on passes from Steve Young, who came on after quarterback Joe Montana suffered a hamstring pull in the early going.

VANTAGE POINT/Ira Berkow

A Trap Snaps Shut on the 'Gym Rat'

NEW YORK — The whispers had begun at least as far back as when he was in college, that the gym rat liked to have a few beers and then a few more than that.

It wouldn't be so startling considering his environment and culture — a young man, a star athlete, an urban setting — nor would it be unheard of for one in his position to go beyond alcohol.

The whispers traveled with Chris Mullin after he left St. John's University. Could it be true — of all people — this gym rat, this guy with such a pale complexion that it was said he never saw the sun because he spent so many hours in the gym?

Gym rat. A name said with affection and respect. It was a humorous and somehow fitting image for Mullin's tenacity and desire and discipline and dedication to basketball — saying to fulfill his considerable potential as a player.

"Chris Mullin," some said, "you can't get him out of the gym."

Indeed, few played the game better. After his second year in 1985 he had been awarded the John Wooden trophy as the best college basketball player in the country. But the rumors of abuse accompanied him cross-country to California where, as a first-round draft choice, the 6-foot-7 (2.00-meter) guard joined the Golden State Warriors of the National Basketball Association.

Around the league, as Mullin shifted into his second and third seasons, the stories persisted. New York was considering making a trade for the hometown lad, but, as Al Bianchi, the Knick general manager, said, "We heard the rumors and the red light went up."

From the statistics, Mullin was on the upswing on the court. As a rookie, his scoring average was 14 points a game, then 15 a game last season, and now it was 17.6.

And often his play sparkled with the heady movement without the ball, the clever passing and the deadly jump shot that helped make him a standout in college.

"Bianchi had been at Phoenix when Walter Davis of the Suns turned himself in for drug abuse and he had known David Thompson and Phil Ford and Quinton Dailey, who were admitted drug abusers, all of whom had started with heavy drinking."

"And despite possible success on the court [Davis scored a career-high 43 points the night

before he admitted his problem] the abuser's life soon begins to spin out of control, as Mullin's was. He missed a practice on Thursday, his second in a month, which precipitated his confession."

Bianchi said he had been investigating the rumors of Mullin's "through our various sources" — his interest in Mullin as a Knick remained sharp — when word came on Saturday that Mullin had turned himself in to league officials and would enter an alcohol rehabilitation program in Inglewood, California.

The league is "monitoring" the Mullin case, said a spokesman, and if there was substance about what substance was involved then "we'd deal with that upon the evidence."

Mullin does not fall under the NBA's drug program, in which if you come forward and admit to drugs — which is illicit as opposed to alcohol, which is legal — you get two more chances, as did Walter Davis and Ray Taylor and John Lucas. Mitchell Wiggins and Lewis Lloyd of the Houston Rockets were caught using drugs, and were dropped from the league for life, though with an opportunity in the future to return.

But the deeper question remains: Why Mullin?

It is an old story and a new story. Mullin's revelation is public for the first time, but the story of athletes' substance abuse is becoming increasingly old. And it is an endlessly tragic story.

The reasons may be complex, they may be simple. Right now, we don't know what the roots were in Mullin's case.

He's hardly alone, though. More than 20 million people in America — roughly 10 percent of the population — are alcohol and/or drug abusers. And there is great diversity in background and lifestyle.

Certainly, big-time athletes play under great pressure. But a lot of athletes, perhaps most athletes, don't abuse drugs or alcohol. On the other hand, many others who aren't professional athletes comprise the bulk of abusers.

Big-time athletes may have more money than most to spend on booze and drugs — Mullin earns \$600,000 a year. But a lot of the garden-variety drunks and junkies are working class, or poverty class.

Was Mullin driven to this state by peer pressure? By a sense of insecurity, a fear of failure? Or a sense of grandioseness, and believed the substance wouldn't affect him? Was he home-



Chris Mullin as a senior at St. John's. Tenacity, desire, dedication — and rumors.

sick — a New York guy who hated being so far from family, from friends, from the familiar streets? Was he bored, with few other interests, once the ball stopped bouncing?

Whatever, he did it, and to the extent that it injured him, and, surely, his family and friends and teammates and employers.

Most alcohol or drug abusers don't or won't admit to a problem, which, the counselors tell us, is a major part of the problem. Mullin apparently was a classic case. When Don Nelson, Golden State's executive vice president, discussed drinking before the season, Mullin bet him he could stop for six months. He couldn't.

Somewhere along the line, the gym rat was lured out of the gym, and took the maybe harmless looking but tempting bait, and tasted and tasted until the trap snapped, catching him.

Officials Reportedly Waived Drug Testing in U.K. Track

The Associated Press

LONDON — British sports officials struck agreements with overseas teams that their athletes would not be drug-tested at major track and field meets in this country, The Times reported Tuesday.

While saying they were "concerned," the officials would neither confirm nor deny the allegations.

In the first of a two-part report, the newspaper said that track and field teams from the United States, the Soviet Union and East Germany all had escaped doping procedures at certain events in Britain from 1982 to 1985, the period covered by the paper's disclosures.

The concluding part of the report is due to be published Wednesday.

Tuesday's article said that Nigel Cooper, former secretary of the British Amateur Athletic Board, confirmed he had acceded to a last-minute demand from East German officials that drug tests would be waived in an international meet at Crystal Palace in June, 1982.

A similar agreement, the article said, was made with the U.S. team for an indoor meet at Cosford in March, 1983.

Later that year, Cooper was said by the newspaper to have handed back drug testing samples to Soviet team officials after their athletes had been tested at a match in Birmingham.

Another prominent official reportedly gave nine Soviet athletes an assurance they would not be tested for drugs at the 1985 Peugeot Talbot Games at Crystal Palace, the venue for the so-called rematch between Olympic rivals Mary Decker Slaney and Zola Budd.

The newspaper's allegations run directly counter to claims by British athletics administrators that they have been leading the fight against drug abuse.

The sport's spokesman, Tony Ward, said he would have no comment until the second part of the report appears.

"We are obviously concerned about the allegations," Ward said, "but we don't feel it is appropriate to respond to half a story."

U.S. World Cup Skiers Falling on Hard Times

Reuters

LEUKERBAD, Switzerland — The season began badly for U.S. World Cup skiers, and each day things seem to get worse.

A spectacular crash by Tori Piller during the weekend here means the Americans are now without all four of their top women.

The men's team is faring little better, with Olympic downhill champion Bill Johnson and Doug Lewis also below form because of injury.

"Our chances are not very good right now," said Chip Woods, the women's head coach. "We've had lots of bad luck."

With only 25 cup points so far, the United States is in 10th place in the Nations' Cup standings; Switzerland leads with 485.

It's a far cry from earlier in the decade, when Phil and Steve Mahre kept the Americans in the top three of the Nations' Cup for five years running.

Phil Mahre was overall cup champion in 1981, 1982 and 1983; in 1983 Tamara McKinney made it a double by taking the women's title. But the Mahre brothers are long retired and McKinney is nursing the leg she broke in training in November.

The retirement of Phil and Steve three seasons ago was a big problem for us," said Nicholas Howe, an official with the U.S. team. "In a case like that it is always difficult for young racers to move in behind them."

The women's team had looked far

stronger, but Debbie Armstrong dislocated a fibula in summer training, darkening that prospect, and the past six weeks have brought disaster. Not only was McKinney lost, but Eva Tordokens is out with a knee injury sustained in late November. And in Saturday's super-giant slalom, Piller crashed into a thinly padded iron finishing post at a speed of about 70 kph (45 mph).

With a badly broken right leg, torn knee ligaments and possible internal injuries, Piller is certainly out for the season and may never race again, Woods said.

"I don't really want to talk about Tori," said a distraught Pam Ann Fletcher, who, although 36th in the world rankings, is the best U.S. woman's skier still racing.

But U.S. team officials have not given up hope. McKinney should be back on skis in January, they say, and with the pressure off she could surprise at February's Olympics.

In the longer term, the Americans are putting their faith in a number of promising younger talents, which pushes the average age of the squad well below that of what Howe called "the European dynasties of Switzerland and Austria."

The U.S. team has also recently agreed to start a joint training program with the Soviet Union, whose women, in particular, have done surprisingly well this season.

The move was not a consequence of last week's Washington summit, Howe said, but an initiative by the U.S.-based company that supplies bindings to the Soviet team.

SCOREBOARD

Basketball

NBA Leaders

(Through Dec. 13)
TEAM OFFENSE

Team	G	Pt.	Avg.
Detroit	18	2139	118.8
Denver	18	2148	119.3
San Antonio	17	2077	116.3
Portland	20	2060	103.0
L.A. Lakers	19	2110	111.1
Phoenix	19	2079	109.4
Sacramento	19	2025	106.6
Seattle	19	2025	106.6
Philadelphia	19	2017	106.2
Dallas	17	1824	107.2
Phoenix	17	1819	107.2
Portland	19	1844	96.8
Utah	19	1825	96.1
Atlanta	19	1809	95.2
Washington	19	1809	95.2
Cleveland	18	1803	101.1
Golden St.	18	1803	101.1
Philadelphia	16	1804	102.8
Phoenix	19	1804	102.8
Chicago	20	2055	102.8
New York	19	1943	102.3
San Antonio	17	1729	101.7
L.A. Clippers	18	1757	97.6

TEAM DEFENSE

Team	G	Pt.	Avg.
Atlanta	19	1871	98.5
Utah	19	1876	98.7
Chicago	20	2013	100.7
Philadelphia	18	1842	102.3
Houston	19	1954	102.8
L.A. Clippers	18	1824	102.8
San Antonio	19	1804	95.2
New York	19	1994	104.9
Phoenix	18	1804	95.2
Indiana	19	2030	106.3
Seattle	19	2030	106.3
L.A. Lakers	19	2030	106.3
Washington	19	2030	106.3
Portland	18	1976	103.9
Portland	18	1976	103.9
Phoenix	17	1986	110.9
Denver	19	2124	111.8
Golden St.	18	1842	102.3
New Jersey	17	1961	114.5
Sacramento	19	2084	110.2
San Antonio	18	2048	113.8

INDIVIDUAL

Player	G	Pt.	FG	FT	Avg.
Jordan, Chi.	20	229	112	64	33.3
Burke, Phil.	14	158	141	48	29.3
Bird, Bos.	13	157	85	42	27.5
Adams, Phil.	18	85	67	26	26.7
Drexler, Port.	20	199	112	57	25.5
Thurmond, Chi.	17	193	104	25	25.0
Ernst, Den.	19	192	48	48	24.1
Malone, Utah	19	176	106	49	24.1
Ellis, Sac.	19	182	42	45	24.0
Wilkins, Atl.	18	144	81	37	23.3

Field Goal Percentage

Player	G	FG	Pct.
Burke, Phil.	14	112	79.3
Honch, Phil.	6	11	58.3
West, Cle.	6	11	58.3
Williams, M.J.	14	102	54.4
Stuckey, Minn.	14	102	54.4
Robinson, Det.	8	14	56.1
Rasmussen, Den.	8	14	56.1
Miller, Ind.	17	122	55.5
Mohr, Det.	7	12	55.5
S. Johnson, Port.	19	121	55.4

Rebounding

Player	G	Reb.	Avg.
Oakley, Chi.	20	82	252
Porter, Port.	20	229	112
Smith, Utah	16	76	122
Cole, L.A.	17	70	121
Williams, M.J.	17	64	122
Green, L.A.	18	68	122
Portis, Bos.	14	34	100.0
Salm, Minn.	19	32	100.0
McIntyre, Wash.	19	32	100.0
Thorne, Sac.	19	32	100.0

Assists

Player	G	Ass.	Avg.
Johnson, L.A.	19	221	11.6
Porter, Port.	20	224	11.2
Smith, Utah	16	172	10.8
Flower, Hou.	18	178	9.9
Laver, Minn.	19	168	8.8
Jackson, N.Y.	19	161	8.5
Rivers, Atl.	17	142	8.4
Thorne, Sac.	18	151	8.4
Chew, Phil.	16	132	8.3
Johnson, Bos.	19	149	7.8

NBA Standings

EASTERN CONFERENCE

Team	W	L	Pct.	GB
Boston	11	8	.579	—
Philadelphia	8	8	.500	1 1/2
New York	6	5	.545	3 1/2
Washington	6	12	.333	5 1/2
New Jersey	2	15	.118	8

CENTRAL DIVISION

South Alabama 39, Middle Tennessee 51, 74	three-
Southern Methodist 67, South Florida 66	N.Y.
Toledo 63, Fla. International 62	left w/
MIDWEST	Knicker
Indiana State 87, Kentucky 81, 72	TOP
SOUTHWEST	% Los
Oklahoma 81, 83, Pepperdine 46	
FAR WEST	
Cal-Irvine 93, New Orleans 91	TEX
UCLA 88, Penn 49	crutts
Washington 105, Gonzaga 51 88	linbo

OBSERVER

The Coffee-Tree Grind

By Russell Baker

NEW YORK — The house in which we live sits under a coffee-bean tree. Had we known about coffee-bean trees before buying the house, we probably would have told the real-estate agent to show us the next place. Because we lived previously in the city, however, we knew almost nothing about the personalities of trees, so we said we would take the house.

On first seeing the house, we did notice huge shade-casting vegetation overhanging it and recognized the stuff as trees. To make conversation with the woman who was about to become the previous owner, I pointed to one and said, "What kind of tree is that?"

"A Kentucky coffee-bean tree," she said.

A curious thing about trees, which urban people are apt to forget even if they once knew it, is that trees have distinctive personalities. Hemlocks, for instance, like to stand around drooping with melancholy. Ginkgo trees become discontented with humdrum sex lives that require them to bring forth fruit monotonously every spring.

To show their resentment, they bring forth fruit so foul to smell that one whiff would be enough to kill the romantic impulses of all other ginkgo trees for miles around. If ginkgo trees were like people.

The coffee-bean tree is more like people than most trees, and the people it is like are the people we call adolescents, though with an important difference. Adolescents are adolescents for only a few years.

Coffee-bean trees stay adolescents until they are 80 or 90, which is the age of the coffee-bean tree overhanging our house, according to the tree man.

When you live in the city you don't think of the tree man. We certainly never did. In the city we thought of the exterminator. The tree man never crossed our minds until the day a coffee bean came within inches of killing me.

Have I described the fruit of the coffee-bean tree? It is a brown leathery pod six to nine inches long, shaped somewhat like an airplane propeller, with a stiletto point on one end. The botanical point of the point is to enable the plummeting coffee bean to plunge daggerlike into the earth, or any

skulls that may be passing below. I told you this tree was like an adolescent; as the adolescent drives, so the coffee-bean tree disseminates its fruit.

The coffee-bean pod is slightly lighter than a piece of granite of comparable size. This is because the pod contains several roundish, black seeds somewhat bigger and a good bit heavier than marbles. You can see how easily one could be killed by a falling coffee bean just by stepping out of the house in the shedding season.

Anyhow, So we called a tree man. Pointing way, up, we said, "We'd like that big branch up there cut off before this tree kills somebody down here."

That branch was really up there. From the way the tree man looked way up there at it, I could tell that he thought this was a job that would require the balance as well as the nerves of a flying-trapeze artist. "It's the wrong time of year to prune," he said, and promised to come back when the pruning season came in.

We never heard from that tree man again. Talk about ingratitude. Adolescent ingratitude is nil compared to a coffee-bean tree's. As soon as the chicken tree man departed, the tree began dropping coffee beans by the thousand. I do not hyperbolize. By the thousand.

It was not all done in a few days, as civilized trees do their dirty work. It went on for months. Coffee beans fell from September to May, making the roof thunder all night in the windy times.

On windless days, wearing hard hats, we shoveled coffee beans into trash containers. Their weight was prodigious. The pods were dreadful if they broke in your hands; full of hideous, green, viscous substance suggesting sci-fi tales of things from nasty galaxies.

Did I mention the tough, thick, 18-inch-long leaf stems that fall to the earth and clog gutters and downspouts from autumn to spring, leaving the property always looking as though angry giants had thrashed it with giant brooms that disintegrated as they thrashed?

Another tree man has just left. He will be back next pruning season, he said lovingly. Meantime, I count at least 500,000 coffee beans still up there. Way, way up there.

By Sarah Booth Conroy

Washington Post Service

HAROLD SACK knows most great American antiques personally. Perhaps that's why, at 75, even his face, which looks a bit like a carving on a table leg, seems to have acquired a patina instead of wrinkles.

Sack, president of Israel Sack Inc. of New York, is reputed to have invented the American antique market, an ornate and arcane world where thousands of dollars can turn on whether a paw foot on a table is hairy enough.

Sack denies that he invented the market. "My father did," he says. And to prove it, he wrote (with Max Wilk) "American Treasure Hunt: The Legacy of Israel Sack," a delicious peep through the windows of American antique collectors, a history charting the phenomenal rise of American antiques, and a biography and a kaddish for his father, Israel Sack, who died in 1959.

At the big New York auctions of American antiques — such as the Oct. 24 sale at Sotheby's that totaled \$3.7 million — Sack is as familiar as the auctioneer's hammer.

Auctioneers and bidders watch him closely as he sits on a front seat and spends hundreds of thousands of dollars with a barely noticeable flick of his pencil.

At the Sotheby auction — five days after the crash on Wall Street — Sack, as he says, "put my money where my mouth is."

He paid \$143,000 — considerably more than the high estimate of \$30,000 — for a "fine and rare" federal mahogany extension and dining table, circa 1810, New York. And he paid \$110,000 for the Chippendale carved mahogany block-front slant-front desk from Salem, Massachusetts, circa 1775, that Sack Inc. had owned five years ago, intending, of course, to resell.

"Prices were high and strong all during the sale," Sack says. "At every major recession since World War II, antiques have brought record auction prices. The Flaglerman sale in 1930, just a few months later than the crash of '29, broke all records."

One of the legends about Israel Sack is that he bought up all the prize antiques from stockbrokers

going bust after the 1929 crash, and that his sons kept them in the basement until prices rose in the late '70s and '80s. But Harold Sack says that's not exactly right.

His account: In 1931 Israel Sack got a tip from a friend of President Herbert Hoover that the market was going to turn up. The elder Sack moved to New York and began to buy furniture collections in bulk on credit, just as brokers had bought stock on margin before the crash.

But when the Depression settled in, and the cash flow was slow, the firm was almost ruined, and the Sacks had to liquidate their inventory. The Sacks still brood over the treasures they sold.

Harold Sack predicts the market in antiques will hold up even better in the financial crisis that it did in the '30s, because interest in antiques is broader, and so is knowledge.

At the moment, the most expensive piece on the Israel Sack Inc. floor is a Chippendale Baltimore highboy at \$450,000. The Sacks like to "decorate" their showroom with such important pieces.

He and his partner, younger brother Albert, are often seen on lecture platforms, explaining how to tell the fake from the true antique. Their father, a Lithuanian cabinetmaker who learned dovetailing in Birmingham, England, went to work faking antiques in Boston. But he fell in love with real American antiques and helped establish them, at least at home, as the equal of European.

Harold is business head of the family firm, says Albert, who wrote "Fine Points in Furniture," the scholar of the family. Another younger brother, Robert, and another assorted relatives mind the store.

Harold and Albert Sack learned the care and feeding of collectors from their father. It was in the 1920s that the millionaires in the day began to be seriously interested in American colonial and federal furniture and architecture, and so discovered Israel Sack. The du Ponts and the Fords were among his customers.

When Harold Sack isn't at the store, it's likely he's in some grand mansion, or his gallery at 15 East



"American arts have always been Europe's stepchild."

57th Street in New York City, buying or selling some rare and important American federal object.

Almost every top collector in the United States buys from Sack's shop, commissions him to bid at auction on his behalf or takes his advice as to when not to buy.

While auction prices have yet to reach the stratospheric prices of paintings, the price difference is narrowing.

A Cadwallader hairy-paw-foot wing armchair set a world auction record for furniture at \$2.75 million when it was auctioned by Sotheby's last January at its

Americana sale that totaled \$14.5 million. "I always said the decorative-arts prices will meet the fine arts," Sack says.

The White House is another Sack project. He was influential in the furnishing of the White House as far back as the Eisenhower administration, when the National Society of Interior Designers wanted to redecorate the Oval Diplomatic Reception Room on the ground floor.

Sack advised Henry du Pont, chairman of the White House committee that passed on acquisitions during the major redecoration of the White House by Jacqueline Kennedy. Later he advised Clement Conger on the

redecorating during Pat Nixon's tenure and when Rosalynn Carter took up the collection. Nancy Reagan fired Conger last year, to the dismay of the Sacks.

The Sacks sons endowed three rooms in the Metropolitan Museum of Art's American Wing in their father's name. Harold, deprecating his effort to honor his father and to benefit the museum, says the \$350,000 donation "is the best advertising money the firm has spent."

Sack Inc. also gave a gallery to the Hood Museum at Dartmouth, where Harold graduated. The Boston Museum of Fine Arts, the Colonial Williamsburg and the Metropolitan (of which Israel Sack helped assemble the nucleus, the Eugene Bolles collection are among the places that also have works of art either sold or appraised by the Sacks.

Despite the reputation of American antiques in the United States, they don't sell well abroad. Sack says, "To our knowledge there is not one collector of American furniture outside the United States. There's no market for American antiques — they aren't exhibited or sold. American art have always been Europe's stepchild. Neither the sheikhs nor the Argentines want anything except French and English furniture."

Sack says, however, that this may change. "With our treasures bringing these million-dollar prices at auction, they'll have to pay attention" — especially now that the Japanese have so many dollars.

Sack thinks that a great American decorative-arts museum in the nation's capital would help. "If we had an indigenous museum, it would be an inducement for the great collectors to give their greatest pieces. The Metropolitan Museum of Art in New York has a great wing, as do other museums, but American antiques need a building of their own."

Sack is not one to think that there are no more great antiques yet to surface. "Three great masterpieces came on the market last year. I know where there's more. People will give to the museum, because the values are so great."

"My father used to say, 'Money is honey.'"

PEOPLE

Reagan Put a Madonna On Their Yule Gift List

One Christmas, President Ronald Reagan gave his wife, Nancy, a manure spreader. This year, no practical home-owner gift, the first lady declared, "Do you know a mother who really is cuckoo about tractor?" she said, recalling another gift of Christmas past. This year, the Reagans are going to give themselves a statue of the Madonna, originally given to them by Pope John Paul II. Under the law, the Reagans are able to keep foreign gifts valued at less than \$180. Gifts valued at less than \$180 are turned over to the National Archives and eventually will end up in the Reagan Presidential Library. The Reagans will purchase the two-foot, carved ivory statue from the White House for \$800 so they can take it with them when they leave in 1989. Mrs. Reagan unveiled the White House Christmas decorations (among them a 25-pound gingerbread house with a figure of first dog Rex sleeping near the jellibean walkway and an 18-foot Christmas tree with 350 hand-painted ornaments), with the help of the actor Dom DeLuise, who was decked out as Santa with a garb at the end of his red hat. The Reagans are giving each other the statue, Mrs. Reagan said, "because I'd like some remembrance from our eight years in the White House." "Why don't you take a couple of ash trays," Santa said, "That's what I did." Mrs. Reagan said that the stories of her disliking Santa Claus were exaggerated. But when asked if she was looking forward to being the visitor at the next summit she replied, "I'm looking forward to going to Russia."

Man Watchers of America, Inc., which usually spotlights the world's "most watchable men," has released a new list of the top 10 women who "have the most happenings in 1987. The list: Nancy Reagan, Elizabeth Taylor, the talk show host Oprah Winfrey, the astronaut Sally Ride, Barbara Streisand, the tennis star Steffi Graf, the singer Janet Jackson, the author Danielle Steel, and the television personality Jane Pauley and Jeane Wolf."

There will be a memorial service for the writer James Baldwin at the American Cathedral in Paris on Thursday at 5:45 P.M. Baldwin died of cancer at the age of 63 at his home in southern France Nov. 30.

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